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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for arbitration ) DOCKET NO. 961346-TP  
of BellSouth Telecommunications, )  
Inc., regarding call forwarding, )  
by Telenet of South Florida, Inc.)

PROCEEDINGS: PREHEARING CONFERENCE  
BEFORE: JOE A. GARCIA, Prehearing Officer  
DATE: January 24, 1997  
TIME: Commenced at: 1:30 p.m.  
Concluded at: 2:00 p.m.  
PLACE: Florida Public Service Commission  
Betty Easley Conference Center  
Room 148 - 4075 Esplanade Way  
Tallahassee, Florida  
REPORTED BY: RAY D. CONVERY  
Court Reporter and Notary Public

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## 1 APPEARANCES:

2 CHARLES PELLIGRINI, Florida Public Service  
3 Commission, 2540 Shumard Oak Boulevard, Tallahassee,  
4 Florida, 32399-0850, appeared on behalf of the Commission  
5 Staff.

6 COLIN ALBERTS and RUSSELL BLAU, Swidler & Berlin,  
7 3000 K Street Northwest, Suite 300, Washington, D.C.,  
8 20007-5116, appeared via telephone on behalf of Telenet of  
9 South Florida, Inc.

10 J. PHILLIP CARVER, 150 West Flagler Street, Suite  
11 1910, Miami, Florida, 33130-1556, (305) 347-5558, appeared  
12 on behalf of Bellsouth Telecommunications, Inc.

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## P R O C E E D I N G S

1  
2 COMMISSIONER GARCIA: Let's call this hearing to  
3 order.

4 Will you read the notice, Charlie?

5 MR. PELLIGRINI: Yes. Pursuant to notice dated  
6 January 15, 1997, this place and time have been set for a  
7 prehearing conference in Docket No. 961346-TP, a petition  
8 for arbitration of dispute with BellSouth  
9 Telecommunications, Inc., regarding call forwarding, by  
10 Telenet of South Florida, Inc.

11 COMMISSIONER GARCIA: Okay. We'll take  
12 appearances.

13 MR. CARVER: Phillip Carver on behalf of  
14 BellSouth, 150 West --

15 MR. ALBERTS: Colin Alberts and Russ Blau on  
16 behalf of Telenet of South Florida.

17 COMMISSIONER GARCIA: Let's stop for a second.

18 Mr. Carver, that microphone doesn't work, and your  
19 voice is very sweet and soothing but -- to me, but maybe  
20 they're not getting it on the other side. So maybe you  
21 could take that one. And let's let Mr. Carver introduce  
22 himself again and then we'll let the Telenet attorney  
23 speak. Go ahead.

24 MR. CARVER: Phillip Carver on behalf of  
25 BellSouth, 150 West Flagler Street, Suite 1910, Miami,

1 Florida.

2 MR. ALBERTS: Colin Alberts and Russell Blau on  
3 behalf of Telenet of South Florida, Swidler & Berlin, 3000  
4 K Street Northwest, Suite 300, Washington, D.C., 20007.

5 COMMISSIONER GARCIA: Let me make sure I got the  
6 names right. Douglas Bonner and Colin Alberts, are those  
7 the people I'm hearing?

8 MR. BLAU: No. Douglas Bonner is not present  
9 today. This is Russell Blau, B-l-a-u.

10 COMMISSIONER GARCIA: Okay. Russell Blau. And  
11 the other gentleman who is speaking is?

12 MR. ALBERTS: Colin Alberts.

13 COMMISSIONER GARCIA: Colin Alberts, okay.

14 MR. PELLIGRINI: And Charles Pelligrini on behalf  
15 of Commission Staff, Florida Public Service Commission,  
16 2540 Shumard Oak Boulevard, Tallahassee, Florida,  
17 32399-0850.

18 COMMISSIONER GARCIA: All right. Mr. Pelligrini,  
19 are there any preliminary matters we should --

20 MR. PELLIGRINI: Yes, Commissioner, there are some  
21 preliminarily matters. The first of these is Staff's oral  
22 motion to extend the period for discovery until February 7,  
23 1997. That would represent an extension of two days.

24 COMMISSIONER GARCIA: All right. If none of the  
25 parties have a problem with that, I'm going to go ahead and



1 grant that.

2 Very good. Is that it?

3 MR. PELLIGRINI: No. Secondly, Staff would  
4 recommend a slight -- well, we can -- a slight modification  
5 to Issue 1, but we can take that up I think when we reach  
6 the issue.

7 COMMISSIONER GARCIA: Okay.

8 MR. PELLIGRINI: There is another preliminary  
9 matter. Last evening BellSouth FAXed a motion to strike  
10 certain portions of Witness Kupinsky's testimony and  
11 certain portions of Telenet's prehearing statement. That's  
12 a matter that we should discuss as to the disposition of  
13 that motion, the present disposition of that motion.

14 COMMISSIONER GARCIA: Okay. Well, first off, on  
15 the first part of that, we're going to need a little bit of  
16 time on that because I obviously just saw it, and from what  
17 I overheard with your -- Mr. Pelligrini's discussion with  
18 Mr. Alberts and Mr. Blau, that they are going to be filing  
19 opposition to that, so let's wait until we get that in.

20 As far as the additional witnesses, which was  
21 a --

22 MR. PELLIGRINI: But, Commissioner Garcia, before  
23 we leave that point, I would suggest that Telenet be given  
24 until Wednesday, this next Wednesday to respond to  
25 BellSouth's motion to strike.

1                   COMMISSIONER GARCIA: Is that all right with you,  
2 gentlemen?

3                   MR. ALBERTS: We'll be able to conform with that,  
4 Commissioner.

5                   COMMISSIONER GARCIA: Very good. So then we'll do  
6 it that way.

7                   MR. PELLIGRINI: Yes. There is the further matter  
8 of Telenet witnesses who did not prefile testimony.

9                   It's Staff's recommendation that those witnesses  
10 be precluded from testifying in this proceeding.

11                   COMMISSIONER GARCIA: Correct, and I agree with  
12 you. I agree with Staff on that issue. Those witnesses  
13 are not going to be allowed to attend.

14                   MR. ALBERTS: Commissioner.

15                   COMMISSIONER GARCIA: Yes.

16                   MR. ALBERTS: If I may be allowed to try to offer  
17 some reasons why I believe they should be permitted to be  
18 heard at the hearing on the 12th of February.

19                   COMMISSIONER GARCIA: Is there something  
20 additional to what you've filed before us?

21                   MR. ALBERTS: Do you mean in the way of prefiled  
22 testimony?

23                   COMMISSIONER GARCIA: No, by way of the motion  
24 allowing them to speak.

25                   MR. ALBERTS: There is no pending motion beyond

1 the prehearing statement, Commissioner.

2 COMMISSIONER GARCIA: Okay. Well, go ahead, take  
3 five minutes. Tell me why we should let you do this.

4 MR. ALBERTS: Well, Commissioner, my understanding  
5 as to the objection to having either Mr. Demers or Ms.  
6 Jordan be allowed to testify at the hearing on the 12th of  
7 February is that this would be contrary to the order  
8 establishing procedure.

9 Our position is that the order is not really clear  
10 on this point and by our reading seems to allow for  
11 additional testimony, oral testimony at the hearing, and  
12 that, as a matter of fact, our reading of certain  
13 provisions of the Florida Administrative Code, particularly  
14 25-22.038, Subpart (2), indicates that it is this  
15 prehearing conference, in fact, which is the forum for  
16 final determination of those witnesses to appear at the  
17 hearing.

18 This -- Mr. Pelligrini correctly points out that  
19 this issue is -- there is no overlap with BellSouth's  
20 motion to strike that was filed yesterday. We would also  
21 like to point out that BellSouth's own prehearing statement  
22 holds out the possibility of further witnesses,  
23 non-rebuttal witnesses, I might add, that might testify at  
24 the hearing.

25 COMMISSIONER GARCIA: All right. Well, then,

1 since I've given you an opportunity, let me allow --

2 MR. ALBERTS: Oh, Commissioner, and also, I would  
3 like to also add to the objection that might be raised that  
4 the proposed testimony could be duplicative of Mr.  
5 Kupinsky's --

6 COMMISSIONER GARCIA: Mr. Blau, do me a favor.  
7 Try to not join your words so much. It's difficult to  
8 follow in this room, and I can't make out some of the  
9 words. So try to speak a little bit slower.

10 MR. ALBERTS: I apologize, Commissioner.

11 It's also been argued that the proposed testimony  
12 would be duplicative of Mr. Kupinsky's. Telenet would  
13 respond that whatever overlap of expertise may be in play  
14 here, Mr. Demers and Ms. Jordan may very well have original  
15 and germane evidence to offer and we would like to preserve  
16 our right to call them as secondary witnesses.

17 To the anticipated argument that this poses a  
18 due-process problem for BellSouth, we would respond that  
19 BellSouth is more than welcome to notice a deposition of  
20 these two proposed witnesses at any time prior to the  
21 hearing and prior to the end of the discovery.

22 COMMISSIONER GARCIA: Okay. Is that it?

23 MR. ALBERTS: That is, Commissioner.

24 COMMISSIONER GARCIA: Mr. Carver.

25 MR. CARVER: Thank you, Commissioner.

1 First of all, just procedural I would note that  
2 Telenet didn't request leave to have these witnesses appear  
3 live and they didn't come forward with a motion to set any  
4 unusual circumstances -- to cite any unusual circumstances  
5 that would allow that. They simply listed them on their  
6 prehearing statement, and we've moved to strike that  
7 because we believe it's a very clear violation of the rule  
8 requiring that all testimony be prefiled.

9 Now, counsel for Telenet say that the order  
10 establishing procedure was unclear. I disagree with that;  
11 and, in fact, the precise language from the order  
12 establishing procedure which appears on page 2 is as  
13 follows: "Pursuant to Rule 25-22.048, Florida  
14 Administrative Code, each party shall prefile in writing  
15 all testimony that it intends to sponsor."

16 Now, certainly Telenet is aware of the fact that  
17 they had to prefile testimony because they did prefile  
18 testimony, and I believe that that portion of the order and  
19 I believe that the underlying rule that's cited in that  
20 order are both very clear in terms of what's required of  
21 them in terms of all the direct testimony that they wish to  
22 sponsor or to present.

23 For whatever reason -- and I don't want to  
24 speculate as to their reasons -- they have elected to  
25 prefile some testimony and comply with the rule and at the

1 same time to have other witnesses -- to, I presume, make an  
2 affirmative election not to identify them and not to --  
3 before the prehearing statement was filed, not to prefile  
4 their testimony, and then to ask to have these witnesses  
5 appear live at the testimony -- at the time of the hearing,  
6 rather, and give testimony and no one knows what the  
7 substance of that is going to be.

8 I believe that that's a fundamental violation of  
9 the rules of this commission. It serves no purpose and  
10 they have offered absolutely nothing in terms of unusual  
11 circumstances that require them to do this or that militate  
12 in favor of allowing them to do this.

13 So for all of those reasons, we'd move to strike  
14 those witnesses.

15 COMMISSIONER GARCIA: Mr. Pelligrini, do you have  
16 anything to add?

17 MR. PELLIGRINI: Yes, Commissioner Garcia. It's  
18 true that discretion lies with you to admit these  
19 witnesses; however, in my research I discovered that on  
20 those rare occasions in which the Commission has permitted  
21 live testimony, it has been because the testimony was  
22 compelled of the witnesses, certainly an unusual  
23 circumstance.

24 There is no unusual circumstance. Telenet did  
25 properly prefile the testimony of Witness Kupinsky. I fail

1 to see why they didn't properly prefile the testimony of  
2 the other two witnesses. It really is my recommendation  
3 that they, as I've stated earlier, be precluded from  
4 testifying in this proceeding.

5 COMMISSIONER GARCIA: All right. Mr. Blau, we're  
6 not going to allow them. Unless you have something that is  
7 going to change the world, the one sentence that will  
8 change the world, we're going to rule that we're not going  
9 to allow that, all right.

10 MR. ALBERTS: We have nothing further,  
11 Commissioner, but I would just point out for the record  
12 that it was Mr. Alberts who was speaking before.

13 COMMISSIONER GARCIA: Okay. Very good.

14 MR. PELLIGRINI: Commissioner Garcia, I would like  
15 to clarify for the record that the individuals that we're  
16 speaking of are William Demers and Ruth Jordan.

17 COMMISSIONER GARCIA: Okay. Very good.

18 Mr. Pelligrini, anything else, or do you want to  
19 go issue by issue?

20 MR. PELLIGRINI: I think there are no more  
21 preliminary matters, that we can proceed from the  
22 beginning --

23 COMMISSIONER GARCIA: Okay.

24 MR. PELLIGRINI: -- of the prehearing order.

25 COMMISSIONER GARCIA: Let me make sure I

1 understand who it was that was speaking that was on the  
2 Telenet side.

3 MR. ALBERTS: That was Colin Alberts,  
4 Commissioner.

5 COMMISSIONER GARCIA: Alberts. Very good. Okay.  
6 Since I can't see your faces, let's just -- you're  
7 going to be speaking for the rest of the time, right, Mr.  
8 Alberts?

9 MR. ALBERTS: Yes, sir.

10 COMMISSIONER GARCIA: Okay. Very good.  
11 Shall we go issue by issue?

12 MR. PELLIGRINI: Commissioner, we could begin with  
13 the case background, I think.

14 COMMISSIONER GARCIA: Okay. Any changes to be  
15 made?

16 MR. CARVER: I'm sorry, we were speaking.  
17 Changes to which section?

18 COMMISSIONER GARCIA: Case background, any changes  
19 to be made?

20 MR. CARVER: No, sir.

21 COMMISSIONER GARCIA: Mr. Alberts?

22 MR. ALBERTS: No, Commissioner. We're satisfied  
23 with the case background as stated.

24 COMMISSIONER GARCIA: Okay. We'll go on. Order  
25 of witnesses. We're fine.



1 MR. ALBERTS: Given the decision that's just been  
2 handed down, again, we -- Telenet has no objection to --

3 COMMISSIONER GARCIA: Great, thank you.

4 MR. CARVER: I'm sorry.

5 COMMISSIONER GARCIA: Go ahead?

6 MR. CARVER: We have no change to the order, but I  
7 would note that Mr. Scheye will be offering rebuttal  
8 testimony also.

9 He's listed as only having direct, but --

10 COMMISSIONER GARCIA: Okay. All right. The basic  
11 positions. Let's start -- before we get -- yeah. Is there  
12 any -- does Telenet want to make any change?

13 MR. ALBERTS: This conforms with our understanding  
14 of what our basic position as filed was, Commissioner.

15 COMMISSIONER GARCIA: I'm sorry --

16 MR. ALBERTS: I apologize, Commissioner.

17 This does correctly reflect our contention on the  
18 basic issue before the Commission.

19 COMMISSIONER GARCIA: Thank you, Mr. Alberts.

20 BellSouth?

21 MR. CARVER: No, sir, no changes.

22 COMMISSIONER GARCIA: All right. The issues and  
23 positions, Issue 1.

24 MR. PELLIGRINI: Commissioner Garcia, as a first  
25 matter, staff would propose to change the language of Issue

1 1 slightly to insert, after "service" "to Telenet" such  
2 that the issue would read, "May BellSouth  
3 Telecommunications, Inc., sell its call forwarding service  
4 to Telenet of Florida, Inc., subject to the restrictions,"  
5 the rest remaining the same.

6 COMMISSIONER GARCIA: I assume that's all right  
7 with everyone?

8 MR. ALBERTS: Only that "of South Florida" should  
9 be added after "Telenet."

10 MR. PELLIGRINI: Yes.

11 COMMISSIONER GARCIA: Yes, it will be.

12 Mr. Alberts, you can hear us clearly, correct?

13 MR. ALBERTS: I can, Commissioner.

14 COMMISSIONER GARCIA: Good.

15 BellSouth's position is fine?

16 MR. CARVER: Yes, sir, it's fine. And the exhibit  
17 list, any additions, corrections?

18 MR. CARVER: I have a question. There appears to  
19 be a fairly extensive list of exhibits that I presume would  
20 be sponsored by Mr. Kupinsky. None of that was attached to  
21 the copy of his testimony that I received. I think that  
22 there is a requirement that those exhibits that support the  
23 prefiled testimony also be filed at that time.

24 I'm not necessarily going to move to strike them,  
25 but I would like to have a copy of them and to have them

1 prior to the depositions that are scheduled in this matter  
2 because we have not received any of these.

3 COMMISSIONER GARCIA: Mr. Alberts?

4 MR. ALBERTS: Mr. Carver and Commissioner, that  
5 was an oversight and they have subsequently been FAXed to  
6 Mr. Carver and also sent by U.S. Mail.

7 MR. PELLIGRINI: I can say that I received them  
8 today.

9 COMMISSIONER GARCIA: And Mr. Carver will be in  
10 touch with you if he does not receive them and, of course,  
11 you're more than willing to comply; correct, Mr. Alberts?

12 MR. ALBERTS: That is correct.

13 And, Commissioner, we do have one slight  
14 correction to the exhibit list. Exhibit MAK-7, Telenet,  
15 should be re-dated 10/10/96, not 10/1/96.

16 COMMISSIONER GARCIA: Very good.

17 Okay. Is there anything else that needs to be  
18 taken up, Mr. Pelligrini?

19 MR. PELLIGRINI: I don't think so. I just wanted  
20 to -- perhaps I should review the schedule to be sure that  
21 everyone understands what needs to happen, especially in  
22 view of the shortness of time between now and the hearing.

23 The rebuttal testimony of -- BellSouth's rebuttal  
24 testimony should be filed on the 27th, by the 27th, the  
25 transcript of this prehearing are scheduled for January 31,

1 and the hearing, of course, is scheduled for February  
2 12th.

3 COMMISSIONER GARCIA: Is that all right with you,  
4 Mr. Alberts?

5 MR. ALBERTS: That is acceptable, Commissioner.

6 COMMISSIONER GARCIA: Okay. Mr. Carver?

7 MR. CARVER: Yes, sir.

8 COMMISSIONER GARCIA: Okay. That being the case,  
9 the hearing is adjourned -- I'm sorry?

10 MR. ALBERTS: Commissioner, we do have a pending  
11 discovery matter that we would like to address at this  
12 time.

13 COMMISSIONER GARCIA: Okay.

14 MR. ALBERTS: We are -- we have been re-noticed  
15 with a deposition of Mr. Kupinsky by the staff on the 6th  
16 of February in person in Tallahassee. BellSouth's primary  
17 witness, Mr. Scheye, has been noticed for a telephonic  
18 deposition. In our opinion we do not think that the Staff  
19 has offered a valid explanation for why different treatment  
20 is warranted for the witnesses.

21 It's at great expense, particularly for a start-up  
22 telecommunications company, such as our client, to go  
23 through the travel and time expense of going from south  
24 Florida, the Miami area, up to Tallahassee, and to say  
25 nothing of the expense to counsel of going down to

1 Tallahassee from Washington, D.C.

2 We do not see the need for the staff to evaluate  
3 the demeanor of Mr. Kupinsky if it doesn't feel it needs to  
4 evaluate the demeanor of BellSouth's witness.

5 COMMISSIONER GARCIA: All right. Thank you, Mr.  
6 Alberts.

7 Mr. Carver?

8 MR. CARVER: I think we -- well, I think it would  
9 be a lot more efficient -- I'll put it that way -- to take  
10 Mr. Kupinsky's deposition in person because of the way the  
11 issues have been framed by Telenet. They've raised prior  
12 negotiations as an issue. So for that reason I think we're  
13 going to have to ask Mr. Kupinsky some questions about  
14 documents. There will be handling of documents, and in  
15 order to do that over the telephone, it's going to be very  
16 difficult and confusing. So I think he is going to need to  
17 be deposed in person.

18 Now, if counsel is -- their concern is that there  
19 is some disparate treatment, then we would be willing to  
20 produce Mr. Scheye here in person also. I personally would  
21 also be willing to take Mr. Kupinsky's deposition somewhere  
22 other than in Tallahassee, although that may not be  
23 agreeable to Staff; but again, I don't think a telephonic  
24 deposition of Mr. Kupinsky is going to yield a very clear  
25 record, just because of the nature of some of the questions

1 that will need to be asked.

2 MR. ALBERTS: Well, in the alternate, we would  
3 like to then argue for a personal appearance by Mr.  
4 Scheye.

5 COMMISSIONER GARCIA: We haven't gotten there yet.  
6 Mr. Pelligrini?

7 MR. PELLIGRINI: What I can tell you is this,  
8 Commissioner: Staff's reasoning in requiring the personal  
9 deposition of -- or the in-person deposition of Witness  
10 Kupinsky is exactly as Mr. Carver has stated. It will be  
11 much more efficient to do his deposition in person than to  
12 do it over the telephone. It would be virtually  
13 impossible, we think, because of the nature of the  
14 questions that staff has, to do it over the telephone.

15 The nature of the questions which staff has for  
16 Witness Scheye are not of the same nature. A telephonic  
17 deposition would work, we think, very well in the case of  
18 Witness Scheye, but not at all well in the case of Witness  
19 Kupinsky.

20 COMMISSIONER GARCIA: Well, Mr. Pelligrini, give  
21 me an idea of the questions that staff has that make it  
22 difficult to ask over the phone.

23 MR. PELLIGRINI: Well, we think -- for example,  
24 the responses to some of the questions that we would ask of  
25 Witness Kupinsky are going to require diagraming, the

1 drawing of pictures, as Mr. Carver says, the handling of  
2 documents, this kind of thing. Staff needs a clearer  
3 insight as to the system that Telenet operates, the  
4 physical system that Telenet operates than staff presently  
5 has, and a pictorial representation would be -- a picture  
6 being worth 1,000 words --

7           COMMISSIONER GARCIA: I don't know about pictures  
8 in Tallahassee being worth 1,000 words, but that being the  
9 case, Mr. Alberts, then I think we're going to have to do  
10 it here, and trust me when I say to you that I'm no one who  
11 likes to bring people to Tallahassee unless they have to,  
12 and being that staff needs you here, I guess we're going to  
13 have to do it here.

14           Now, you want, then, to require Mr. Scheye to also  
15 be here?

16           MR. ALBERTS: That would be our preference,  
17 Commissioner.

18           MR. CARVER: The only problem I have with that is  
19 that staff has already said they have no need for him to be  
20 here in person.

21           So, unless there is something about --

22           COMMISSIONER GARCIA: Mr. Alberts, do you need to  
23 have Mr. Scheye here? Mr. Alberts?

24           MR. ALBERTS: Commissioner, again, it is a  
25 question of equitable treatment. I would hesitate to say

1 that there is an absolute need. It is, however, our  
2 preference that we would like a personal appearance by Mr.  
3 Scheye in Tallahassee.

4 COMMISSIONER GARCIA: Then we'll make it so.

5 Have Mr. Scheye come to Tallahassee, and we'll  
6 schedule it that way.

7 Is there anything else, Mr. Alberts?

8 MR. ALBERTS: No, except to clarify that the  
9 now-current discovery deadline is 7th of February, as was  
10 already entered by the Commissioner.

11 COMMISSIONER GARCIA: Correct.

12 Is that correct, Charlie?

13 MR. PELLIGRINI: I didn't quite hear what he said.

14 COMMISSIONER GARCIA: Mr. Alberts.

15 MR. ALBERTS: Just to confirm that, as entered  
16 earlier in this proceeding, the current end of the  
17 discovery period in this proceeding is the 7th of February,  
18 1997.

19 COMMISSIONER GARCIA: The 7th of February.

20 MR. PELLIGRINI: Yes, and Witness Kupinsky will be  
21 deposed on February 6th, and Witness Scheye will be deposed  
22 on February 7th.

23 COMMISSIONER GARCIA: Did you get that, Mr.  
24 Alberts?

25 MR. ALBERTS: I did.



1 MR. PELLIGRINI: We re-noticed yesterday.

2 MR. CARVER: Yes. I have a question. My  
3 understanding was that the discovery period was being  
4 extended just for the purposes of these depositions. I'm  
5 unclear now whether Mr. Alberts is requesting a more  
6 general extension because he has other discovery or if he's  
7 referring just to these depositions.

8 COMMISSIONER GARCIA: Mr. Alberts?

9 MR. ALBERTS: The former. We intend to file data  
10 requests which should be arriving on Mr. Carver's desk  
11 first thing on Monday morning, and even with the previous  
12 discovery deadline, if sent by express mail, it does meet  
13 the discovery deadline.

14 COMMISSIONER GARCIA: Very good.

15 MR. CARVER: Well, I have a problem with that  
16 because, when he says "data requests," I assume he's  
17 talking about requests for the production of documents  
18 under the Florida Rules of Civil Procedure, and we have 30  
19 days to respond to those. So I think the rule that is  
20 generally applied is that, when written discovery is sent  
21 out, it must be sent out so that the response is due on or  
22 before the discovery deadline, and what I understand Mr.  
23 Alberts to say is that he intends to send it out before the  
24 deadline with the idea that we will have to respond by the  
25 deadline and thereby shorten the time of discovery fairly

1 considerably.

2 I don't think that's at all fair or equitable for  
3 a couple of reasons. One is that we're on a very short  
4 track because this is an arbitration. Secondly, even given  
5 that, the case has been pending since November and there  
6 was adequate time for him to propound written discovery in  
7 order to get it in before the deadline.

8 So I'll just say now that, to the extent I receive  
9 something next week that on its face would appear to  
10 require us to respond in less than 30 days, I will object  
11 to that.

12 COMMISSIONER GARCIA: Mr. Alberts?

13 MR. ALBERTS: Commissioner, our response to that  
14 would be that our understanding is that this case is being  
15 governed by the terms of the order governing procedure  
16 which allows for ten days for all discovery responses, and  
17 to the extent that an additional 30 days or an additional  
18 20 days might be granted beyond the February 7th date for  
19 responses to those data requests, Telenet would be willing  
20 to consider -- would be willing to consider that as the  
21 deadline.

22 COMMISSIONER GARCIA: Mr. Pelligrini?

23 MR. PELLIGRINI: The order stabbing procedure does  
24 require responses within ten days of receipt of discovery  
25 requests. So, given the extension to 2/7, it would seem as

1       though the discovery would be proper.

2               MR. CARVER: I may have missed that in the order,  
3 if you can point that out to me.

4               MR. PELLIGRINI: It's Paragraph A, Mr. Carver,  
5 under "Discovery."

6               MR. CARVER: Of the order establishing procedure?

7               MR. PELLIGRINI: Yes.

8               MR. CARVER: And I'm sorry. Which paragraph  
9 again?

10              MR. PELLIGRINI: Paragraph A.

11              MR. CARVER: My mistake. I withdraw my objection.

12              COMMISSIONER GARCIA: Very good.

13              Mr. Alberts, anything else? Mr. Alberts, then  
14 you're absolutely within your right. BellSouth -- I think  
15 you heard them -- withdrew their objection.

16              Anything else?

17              MR. PELLIGRINI: Commissioner Garcia, I would  
18 caution Telenet that the discovery not be unduly burdensome  
19 in view of the very -- of the shortness of time.

20              COMMISSIONER GARCIA: I think Mr. Alberts  
21 realizes that. Correct, Mr. Alberts?

22              MR. ALBERTS: That is certainly correct,  
23 Commissioner, and I am of the opinion that the discovery  
24 that will be arriving is not burdensome.

25              COMMISSIONER GARCIA: Very good.

1 Mr. Alberts, anything else?

2 MR. ALBERTS: No, Commissioner.

3 COMMISSIONER GARCIA: Mr. Carver?

4 MR. CARVER: No, sir, nothing else.

5 COMMISSIONER GARCIA: Mr. Pelligrini, thank you

6 very much. Gentlemen, thank you all, and thank you, Mr.

7 Alberts, for speaking slowly so we could understand you.

8 MR. ALBERTS: You're welcome, Commissioner.

9 COMMISSIONER GARCIA: This hearing is adjourned.

10 (Concluded at 2:10 p.m.)

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C E R T I F I C A T E

STATE OF FLORIDA )

COUNTY OF LEON )

I, RAY D. CONVERY, Court Reporter at Tallahassee, Florida, do hereby certify as follows:

THAT I correctly reported in shorthand the foregoing proceedings at the time and place stated in the caption hereof;

THAT I later reduced the shorthand notes to typewriting, or under my supervision, and that the foregoing pages 3 through 24 represent a true, correct, and complete transcript of said proceedings;

And I further certify that I am not of kin or counsel to the parties in the case; am not in the regular employ of counsel for any of said parties; nor am I in anyway interested in the result of said case.

Dated this 24th day of January, 1997.

*Ray D. Convery*  
\_\_\_\_\_  
RAY D. CONVERY  
Court Reporter

**DOCUMENTS FOR OFFICIAL RECOGNITION  
DOCKET NO. 961346-TP**

Federal Communications Commission (FCC Orders)

1. FCC 96-325, released August 8, 1996 (First report and order regarding the implementation of local competition provisions in the Telecommunications Act of 1996)
2. FCC 96-333, released August 8, 1996 (Second report and order and memorandum opinion and order regarding the implementation of local competition provisions in the Telecommunications Act of 1996)

Florida PSC Orders and Rules:

1. Order No. PSC-96-1579-FOF-TP, issued December 31, 1996, in Docket Nos. 960833-TP, 960846-TP, and 960916-TP (Arbitration)
2. Order No. PSC-93-0108-FOF-TL, issued January 21, 1993, in Docket No. 920188-TL
3. Order No. PSC-95-1391-FOF-TL, issued November 8, 1995, in Docket No. 920260-TL
4. Rules of Florida Public Service Commission, Chapter 25-4, Part IV - Classification of Telephone Exchanges and extended area service.
5. Rules of Florida Public Service Commission, Chapter 25-24, Part XV - Rules Governing Telecommunications service provided by Alternative Local Exchange Companies.

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET  
NO. 961346-TP EXHIBIT NO. 1  
COMPANY/  
WITNESS: Staff  
DATE: 2/12/97

SWIDLER  
&  
BERLIN  
CHARTERED

961346-TP

MEMORANDUM

VIA OVERNIGHT MAIL

TO: Charles Pellegrini  
FROM: Colin Alberts  
DATE: January 22, 1997  
RE: Telenet of South Florida prehearing exhibits

Enclosed please find an original set and 15 copies of the exhibits enumerated in the prehearing statement of Telenet of South Florida, Inc. ("Telenet"). Please call if you have any questions.

ACF \_\_\_\_\_  
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MAK-1 - 12

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FLORIDA PUBLIC SERVICE COMMISSION  
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NO. 961346 EXHIBIT NO. 2  
COMPANY/ \_\_\_\_\_  
WITNESS: \_\_\_\_\_  
DATE: 2-12-97

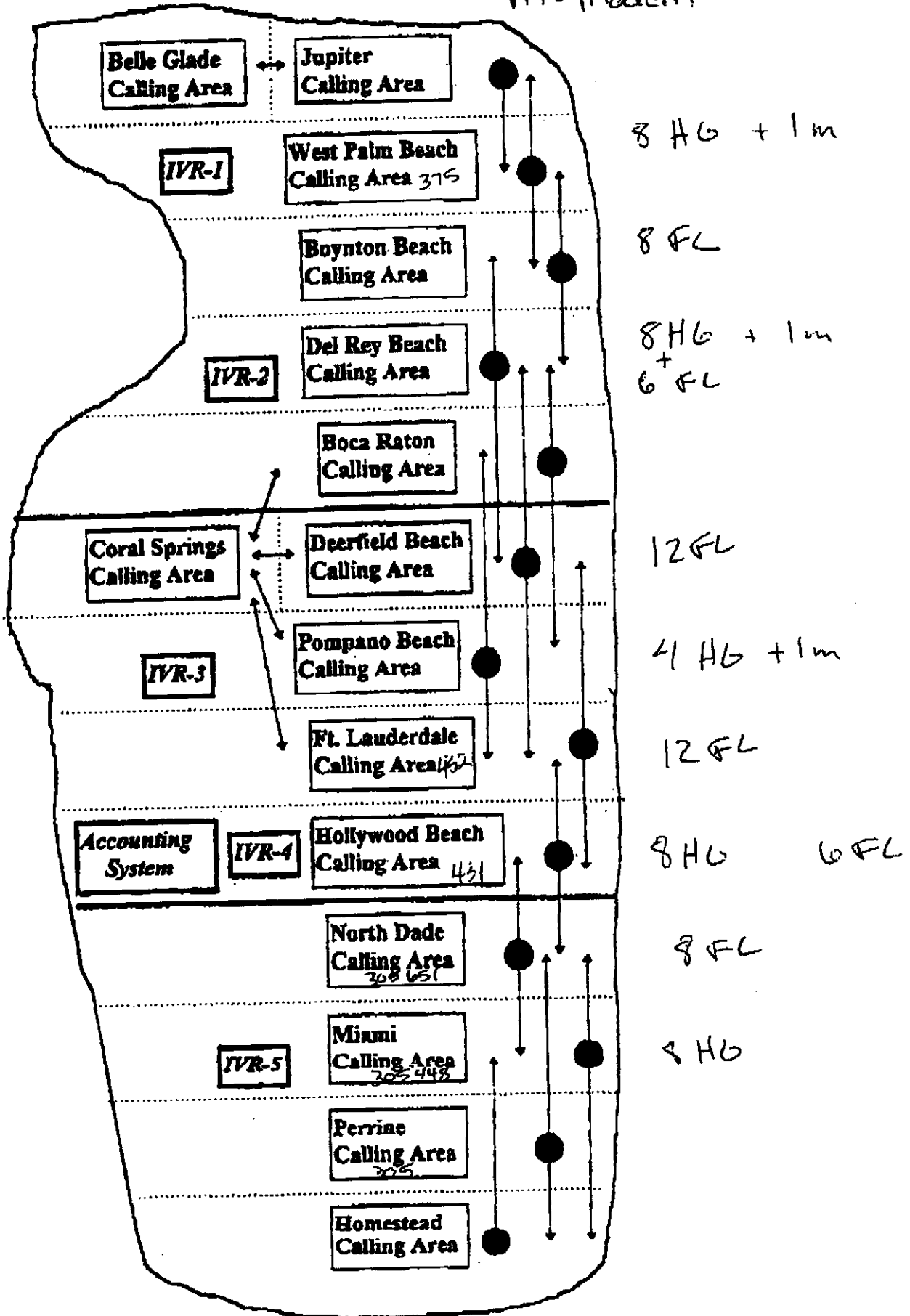
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~~01083 JAN 23 5~~

**Exhibit MAK-1**

**Diagram of the Telenet Virtual Network**



HG = hunt group FL = forwarding lines  
 m = modem



**Exhibit MAK-2**

**BellSouth November 3, 1995 Letter re: Service Price Quotations**

Mike Hudson  
Marvin Kupinsky  
10422 Taft St.  
Pembroke Pines, FL

November 2, 1995

Dear Mr. Hudson;

I am sending this letter to confirm that I understand the needs for your business, and to include pricing options for your service.

You have requested pricing on the following services:

6 lines in a hunt group, with a 431 prefix

1 line as your main telephone number, no other lines in hunting associated with it, to be call forwarded to other hunting groups as needed. There is a \$75.00 assignment charge for easy numbers. I understand that you would like to have an easy "marketable" number.

1 line for a fax machine, with features in case you need to use it for other purposes.

For your customer service application, 6 lines, 3 of them in hunting, the others stand alone.

2 other lines no hunting.

To sum up:

A total of 16 lines. 2 hunt groups, one with 6 lines, one with 3 lines.

All lines are to have the following features:

Call Forwarding Variable

8 or 6 Code Speed Calling (depending upon your choice of service)

3 Way Calling, User Transfer

These are the rates for the services described:

Service	Installation	Monthly Cost
Flat Rate Business Lines	307.75	825.30
Month to Month ESSX	1416.55	934.08
36 Month ESSX	1436.70	863.68
60 Month ESSX	1436.70	837.28
84 Month ESSX	1436.70	822.08

We usually request deposits and advance payments when customers do not have existing service with BellSouth. We do have reciprocal agreements with some other local telephone companies. If you wish, you may provide us with your account information and we can confirm your credit worthiness with your current local telephone company. If you prefer to pay deposits and advance payments, the deposit will be determined by our credit department, and the advance payment will be the entire installation cost. We must receive these payments, if necessary, before the ordering process can begin. Our installation intervals for ESSX service are 4 to 6 weeks. Installation intervals are two weeks for Flat Rate Business Service. These intervals are based upon the availability of existing facilities at your office location.

Richard Garsh, the representative that usually handles accounts in the Pembroke Pines area, is in a training class until November 20. I will be happy to assist you with any questions you may have about your service selection. I can be reached at 800-583-0418 or 954-351-3152.

Sincerely,

*Ruth Margolis*

**Exhibit MAK-3**

**Telenet September 16, 1996 Memorandum re:  
Memorialization of Telephonic Negotiations with BellSouth**

**September 16, 1996**  
**5PM - 7PM**

Marvin Kupinsky, Mitchell Kupinsky, Scott Donahue and Bill Demers met with Bell South representatives Doc Moore along with Tony Aniello. We ended up with us telling Bell South to give us what we need, we will pay for it. We asked for a representative to settle compensation problem. Bell South said I'll give you that name 9/17, it never happened. doc said at the beginning of the meeting that he would give us the best service that he could, provided we were legal. ( at the end of the meeting we were promised Bell South would expedite our requests in a time frame we accepted). We responded (Marvin Mitch and Scott) with ALEC license. Bell South led us to believe that we had no further problems between Bell South and Telenet.

**9/17/96**

Bell South requested documentation on our right to be a phone company. Marvin Mitch and Scott hand delivered the information requested to Doc Moore at his central office. Some decisions were made by Bell South that we were to be stopped until an investigation of our rights to be **TELENET** were decided upon by the regulatory board. Not to mention Doc promised a call back to Telenet-that never happened. Gee I wonder if stringing us along all these months is legal?

**Exhibit MAK-4**

**BellSouth September 19, 1996 Letter re:  
Refusal of New Service**



BellSouth Business Systems, Inc.  
Suite 1220  
6451 N. Federal Highway  
Ft. Lauderdale, Florida 33308

Mr. Mitch Kupinsky  
c/o Telenet of South Florida  
100422 Taft Street  
Pembroke Pines, Florida 33026

September 19, 1996

Dear Mr. Kupinsky,

I spoke to Ms. Ida Levine Bourne who works in the BellSouth group in Atlanta that handles the negotiations for Resale Agreements. She advised that you need to send an informal memo stating your interest in negotiating a Resale Agreement with BellSouth. That request must go to:

Mr. Scott Schaefer  
BellSouth Vice President - Marketing Interconnection Services  
Suite 4422, 675 West Peachtree Street, N.E.  
Atlanta, Georgia 30375

To expedite the process you may FAX the request to telephone number 404-523-4032. Also please FAX a copy to Ms. Ida Levine Bourne at 404-529-7839.

In reference to your FAX message today, I can not initiate any new service with you for Telenet of South Florida until we resolve the Resale Agreement situation. You must initiate a request for a Resale Agreement as indicated above. That is the first step you must take.

I am waiting to hear from my upper management to advise how, if at all, we can service your account until the Resale Agreement matter is resolved.

Thank you for your patience

Respectfully,

A handwritten signature in cursive script, appearing to read 'O.G. Moore', written over a horizontal line.

O.G. Moore  
Senior Account Executive





**Exhibit MAK-5**

**Telenet September 26, 1996 Memorandum re:  
Submission of ALEC License**

# F A X C O V E R S H E E T

DATE: 9/28/96

TIME: 10:25

TO: DOC MOORE

FAX 954-351-3989

FROM: MITCHELL KUPINSKY  
Telenet

PHONE: 054 431-4044

FAX: 954 431-7673

RE: ALEC LICENSE

CC:

Number of pages including cover sheet:3

## **Message**

Doc,

This information is submitted with the intent of promoting an amicable resolution of the outstanding issues between us. Submission of a copy of our ALEC certificate and supporting documentation should not be taken as an admission of any inability of Telenet Of South Florida, Inc. to purchase services and equipment from Bell South according to Bell South's registered tariff. Telenet Of South Florida, Inc. reserves all it's rights, especially with regard to the federal prohibition of the imposition of unreasonable or discriminatory conditions or limitations against resellers.

Please contact me upon receipt of this fax.

Sincerely,

  
Mitchell Kupinsky

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for	)	DOCKET NO. 960043-TX
certificate to provide	)	ORDER NO. PSC-96-0538-FOF-TX
alternative local exchange	)	ISSUED: April 17, 1996
telecommunications service by	)	
Telenet of South Florida, Inc.	)	

The following Commissionere participated in the disposition of this matter:

- SUSAN F. CLARK, Chairman
- J. TERRY DEASON
- JOE GARCIA
- JULIA L. JOHNSON
- DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION GRANTING CERTIFICATE  
TO PROVIDE ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES  
AND MANDATING LEVEL OF 911 SERVICE

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein this Order is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

I. Granting of Certificate to Provide Alternative Local Exchange Telecommunications Service

Telenet of South Florida, Inc., filed an application for a certificate to provide alternative local exchange telecommunications service in the state of Florida. This application was filed pursuant to Section 364.337(1), Florida Statutes, which provides that no person may provide alternative local exchange telecommunications service without first obtaining from this Commission a certificate authorizing the provision of such service. Upon review of the application, it appears that the company has sufficient technical, financial, and managerial capability to provide such service.

ORDER NO. 96-38-0110-001-1A

DOCKET NO. 960043

PAGE 3

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that we hereby grant, to Telenet of South Florida, Inc., certificate number 4424 to provide alternative local exchange telecommunications service, pursuant to Section 364.337(1), Florida Statutes, and as described in Section I of this Order. It is further

ORDERED that as an alternative local exchange company, Telenet of South Florida, Inc., must provide the same access to 911 emergency services as provided by the local exchange company serving the same area, as described in Section II of this Order. It is further

ORDERED that, unless a person whose substantial interests are affected by the action proposed in this Order files a petition in the form and by the date specified in the Notice of Further Proceedings or Judicial Review, below, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 17th day of April, 1996.

/s/ Blanca S. Bayó

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

This is a facsimile copy. A signed copy of the order may be obtained by calling 1-904-413-6770.

( S E A L )

SCL

**Exhibit MAK-6**

**BellSouth October 4, 1996 Memorandum re:  
Special Service Arrangements**

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## ***FAX Memorandum***

---

**To:** *Bill Demers, Mitch Kupinsky*  
**From:** *O.G. "Doc" Moore, BellSouth*  
**Date:** *10/04/1996*  
**Subject:** *BellSouth Services*

The attached Special Service Arrangement Agreement is for the Call Forwarding Multiple Simultaneous Calls. Please review the attached document, have the authorized person sign the document, and return the signed original to me. I will process the service request as quickly as I am authorized to do so.

Additionally, our business office staff is preparing a letter outlining the process followed to arrive at the requested deposit on your multiple accounts. If you concur with the process you may deliver the requested deposit to me. I will forward the deposit to the appropriate department for processing. We will then transfer the accounts from the individual's names into the corporate name.

As you know, your attorney and BellSouth's attorneys are working on several issues regarding how we can do business. Additionally, BellSouth management is in the process of determining if your usage of BellSouth services are within the acceptable guidelines set forth in the Tariffs for the State of Florida. The outcome of those decisions will ultimately decide how we can supply service to your company and under what conditions.

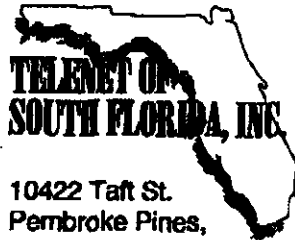
Thank you for your patience in this matter. I am confident we will reach a mutually acceptable solution.

Respectfully,

*Doc*

**Exhibit MAK-7**

**Telenet October 10, 1996 Memorialization re:  
Memorialization of Telephonic Negotiations with BellSouth**



10422 Taft St.  
Pembroke Pines,  
FL 33026 (954) 431-4344

October 10, 1996

**VIA TELECOPIER**

Mr. Tony Petrilla, Esq.  
Swidler & Berlin  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007-7500

Dear Mr. Petrilla:

To the best of my recollection, this is how the conversation with Doc Moore of BellSouth went on October 10, 1996. He said that it has been decided that our use of Call Forwarding is in violation of Tariff A-13.9 and that they're putting TeleNet on notice and asking that we **cease and desist** use of the Call Forwarding in that manner. He said they will be giving us a time frame to comply with that or they're going to remove the features from the line. He also said our company is really operating as an IXC (Inner Exchange Carrier) and to do so we need to be certified by the Public Service Commission.

He doesn't know how else we can do what we want to do without the use of Call Forwarding. He suggested that maybe our technical staff could figure something else out. He indicated that even as an ALEC, that ALEC doesn't give us the right to go against the tariff. I told Doc I understood the tariff to be flexible. I asked him about ordering T-1's or special assembly. He told me we can order T-1's but as far as the use of Call Forwarding to do what we've been doing, we can't do it.

He said we'd be receiving a letter probably tomorrow, asking us to cease and desist on the use of Call Forwarding. He indicated that the way TeleNet is operating, the T-1 is not going to do the company much good if we don't have Call Forwarding. He mentioned he was unable to reach BellSouth's attorney today but wanted to call me back. He also said they want to do business with TeleNet but they want to do business according to the laws of the tariff. He said we are allowed to buy service and resell service, but we can't go against the tariff.

Then I asked him what IXC is and he said Inner Exchange Carrier and he said this has to be done with the certification of the Public Service Commission but TeleNet still can't do it with Call Forwarding.

I then asked him if he was going to be at the office tomorrow morning. He said he had a meeting at 10:30. I told Doc I'd contact him at 8:30 tomorrow morning.



**Exhibit MAK-8**

**BellSouth October 15, 1996 Letter re:  
Threatened Disconnection**



BellSouth Business Systems, Inc.  
Suite 1220  
6451 North Federal Highway  
Fort Lauderdale, Florida 33308

Mr. Marvin Kupinsky  
c/o Telenet of South Florida  
10422 Taft Street  
Pembroke Pines, Fl. 33026

October 15, 1996

Regarding: Florida General Subscriber Service Tariff violation notice

Dear Mr. Kupinsky,

During our meeting on September 16, 1996, attended by Bill Demers, Mitch Kupinski, and you, from Telenet of South Florida, Tony Aniello and myself representing BellSouth, you outlined the method by which you are utilizing the BellSouth services of Call Forward - Variable, both individually and in a multipath arrangement. Based upon the information provided, your use of BellSouth services to avoid payment of message toll charges is in direct violation of the Florida General Subscriber Service Tariff, Section A13.9.1A.1., which provides that " ... Call Forwarding shall not be used to extend calls on a planned and continuing basis to intentionally avoid the payment in whole or in part, of message toll charges that would regularly be applicable between the station originating the call and the station to which the call is transferred."

Since you are using these services in such a manner, you are hereby notified that unless you provide proof, satisfactory to BellSouth, that your use of BellSouth services is not in violation of the above referenced tariff, the Call Forwarding features will be removed from your telephone lines on November 21, 1996. Enclosed for your convenience is a copy of the General Subscriber Service Tariff A13.9.1A.1, on which this notice is based.

It is also our belief that you are trying to operate as an interexchange carrier. To operate as an interexchange carrier you must be certified by the Florida Public Service Commission. After you are properly certified we can provide you with toll service for resale or the appropriate Access Feature Groups. We look forward to serving you in the future, please advise us when you receive this certification.

Sincerely

O.G. "Doc" Moore  
Senior Account Executive, BellSouth  
enclosure:



**Exhibit MAK-9**

**Telenet November 7, 1996 Memorandum re:  
Memorialization of Service Order Chronology**

COLIN ALBERTS  
SWIDLER & BERLIN

11/7/96

Dear Colin,

The following pages are what we have pertaining to the dates of installation of our lines in different locations. We are waiting on further information as to what Bell South has for their records dating back to November of 1996. As soon as we get this we will forward it to you.

Thanks

Bill Demers

11/1/95 First spoke with Bell South regarding lines for Pembroke Pines with Ruth Margolis

11/3/95 Ordered lines for Pembroke Pines

11/6/95 Arranged for installation spoke to Mrs Ohare & Maggie Drewery ext.1628 and ordered lines for Coral Gables. Spoke to Miss Campbell and ordered lines for North Dade.

11/13/95-11/14/95 Installation at Pembroke Pines spoke with Thomas 992-4984.

11/14/95 Installation at Coral Gables

11/15/95 Installation at North Dade

12/15/95 Ordered lines for Ft. Lauderdale

12/19/95 Ft. Lauderdale lines installed

7/16/96 Ordered Palm Beach lines spoke to Julie Martin 780-2918 voice mail 555-4110

7/18/96 Palm Beach lines installed

7/18/96 Ordered Boynton Bch. lines spokè with Mrs McDowell

7/20/96 Boynton Bch. lines Installed

7/23/96 Ordered Del Ray Beach lines spoke to Rich Halloway

7/25/96 Del Ray Bch. lines installed.

7/24/96 Ordered Deerfield lines (originally set up for 7/26) spoke to Linda Rivera 954-492-1561

7/31/96 Deerfield lines installed

7/24/96 Ordered Pompano Bch lines spoke with Mary Louis Davis 780-2918 or 555-4114

7/30/96 Pompano Bch lines installed

7/31/96 Ordered Ft Lauderdale lines spoke to Michelle Ebanks 780-2918 or 555-4109

8/8/96 Ft Lauderdale lines installed

7/29/96 Ordered 5 more remote call forwarding lines spoke to Leslie

8/6/96 Hollywood forwarding lines installed

8/9/96 Ordered North Dade lines spoke to Debbie Allen

8/14/96 North Dade lines installed

**Exhibit MAK-10**

**Telenet November 27, 1996 Letter re:  
Interim Settlement Agreement Pending Arbitration**

November 27, 1996

**VIA FACSIMILE (305) 375-0209 AND FIRST CLASS MAIL**

George Hanna, Esq.  
BellSouth Telecommunications, Inc.  
150 West Flagler Street  
Suite 1901  
Miami, Florida 33130

**Re: Telenet of South Florida, Inc. v. BellSouth Telecommunications, Inc.,  
Broward County, Florida Circuit Court Case No. 96-15677CACE04**

Dear Mr. Hanna:

This is to memorialize for the record the details of the procedural compromise that has been agreed upon between BellSouth Telecommunications, Inc. ("BellSouth") and Telenet of South Florida, Inc. ("Telenet") (collectively, "the parties").

BellSouth agrees to postpone termination of Telenet's call forwarding services, and to continue to promptly provide Telenet with all connection and service arrangements already ordered by November 15, 1996 or as set forth in BellSouth's letter dated November 21, 1996, for one hundred and twenty (120) days from the filing of Telenet's Petition to the Commission in Docket No. 961346-TP, subject to Telenet's agreement not to pursue a temporary injunction hearing in Florida Circuit Court.

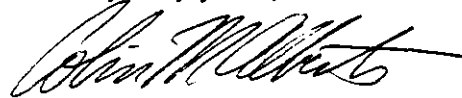
Telenet agrees to abide by the deposit, installation and monthly charges for BellSouth services that have been quoted to Telenet by letter from BellSouth dated November 21, 1996. Telenet further agrees that it will not provide service to new customers during the 120-day period who would utilize call forwarding (customers who have requested service prior to November 15, 1996 are considered existing customers).



George B. Hanna, Esq  
November 27, 1996  
Page 2

Telenet waives none of its rights to raise any procedural issues and/or objections during the period of this temporary stay.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Douglas G. Bonner".

Douglas G. Bonner  
Colin M. Alberts

Counsel for Telenet of South Florida, Inc.

cc: Charlie Pellegrini, Esq.  
Patricia Cocalis, Circuit Judge  
Mr. Robert E. Lockwood, Clerk of Seventeenth Judicial Circuit Court  
Mr. Mitch Kupinsky

**Exhibit MAK-11**

**BellSouth November 12, 1996 Memorandum re:  
Refusal to Provide Additional Service**

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## *Memorandum*

---

**To:** *Bill Demers, Telenet of South Florida*  
**From:** *O.G. "Doc" Moore, Senior Account Executive BellSouth*  
**Date:** *11/12/1996*  
**Subject:** *Request for additional service with forwarding features*

Dear Bill,

As we discussed on the telephone, I am very sorry but I can not honor your request for additional service with forwarding features at this time. I would be happy to provide additional telephone lines but I can not provide the additional forwarding features requested. You have openly admitted that the use of such forwarding features are to be used in a manner as to be in direct violation of the Florida General Subscriber Service Tariff. You and I have discussed this matter at length and I have repeatedly requested that Telenet of South Florida provide BellSouth with documentation indicating your compliance, you have not done so. Therefore, I can not honor your request for service which is in violation of the tariff.

Additionally, I sincerely hope you are making the appropriate arrangements for the service you are currently using during the grace period we have provided. As I told you in pervious correspondence, I will be issuing orders to remove all forwarding features from your existing service effective November 21, 1996, unless acceptable arrangements are made.

Thank you for your cooperation and consideration in this matter.

Respectfully,



**Exhibit MAK-12**

**Telenet December 11, 1996 Letter re:  
BellSouth's Failure to Abide by the Interim Settlement Agreement**

December 11, 1996

**VIA FACSIMILE (305) 375-0209 AND FIRST CLASS MAIL**

George Hanna, Esq.  
BellSouth Telecommunications, Inc.  
150 West Flagler Street  
Suite 1901  
Miami, Florida 33130

Re: **Telenet of South Florida, Inc. v. BellSouth Telecommunications, Inc.,  
Broward County, Florida Circuit Court Case No. 96-15677CACE04**

Dear Mr. Hanna:

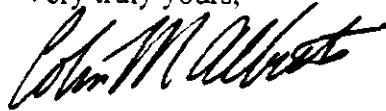
This is to register our dismay at BellSouth Telecommunications Inc. ("BellSouth")'s apparent delays in complying with the November 27, 1997 terms which it agreed to in connection with its interim agreement with Telenet of South Florida, Inc. ("Telenet") in the above-entitled action. Telenet entered into the agreement with the understanding that BellSouth would promptly fill outstanding orders for connections and services.

Since the agreement was formalized on November 27, 1996, Telenet has been subjected to procrastination from its BellSouth account executive, who has failed to comply with BellSouth's obligations under the interim agreement. BellSouth's account executive has alternately asserted legal arguments (the underlying tariff violation to be decided by the Florida Public Service Commission), technical caveats not previously raised when Telenet first ordered the services in July, or even ignorance of Telenet's existing service arrangements as reasons for not promptly fulfilling the service orders previously arranged or discussed in BellSouth's letter of November 21, 1996. In particular this includes the three special assemblies specifically discussed in our conference calls and in the November 21 letter.

George Hanna, Esq.  
December 11, 1996  
Page 2

Telenet is being harmed financially by BellSouth's continuing to refuse the services which Telenet has been ordering since July. If Telenet is to consider itself bound by its pledge to stay its pursuit of injunctive relief it must have assurances of BellSouth's good faith efforts to comply with its promise to provide service to Telenet's existing customers..

Very truly yours,



Douglas G. Bonner  
Colin M. Alberts

Counsel for Telenet of South Florida, Inc.

cc: Charlie Pellegrini, Esq.  
Patricia Cocalis, Circuit Judge  
Mr. Robert E. Lockwood, Clerk of Seventeenth Judicial Circuit Court  
Mr. Mitch Kupinsky

EXHIBIT NO. \_\_\_\_\_

DOCKET NO: 961346-TP

WITNESS: MITCHELL A. KUPINSKY

PARTY: TELENET

DESCRIPTION:

2/6/97 DEPOSITION TRANSCRIPT

DEPOSITION EXHIBITS NOS. 1-2

LATE FILED DEPOSITION EXHIBITS 3-4

PROFFERING PARTY: STAFF

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET  
NO. 961346-TP EXHIBIT NO. 3  
COMPANY/  
WITNESS:  
DATE 2-12-97

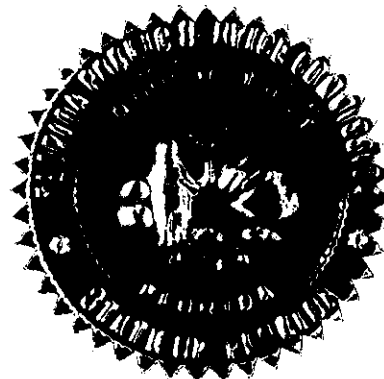
I.D. # MAK-13

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of :  
Petition for arbitration :  
of dispute with BellSouth :  
Telecommunications, Inc. :  
regarding call forwarding :  
Telenet of South Florida, Inc. :  
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DOCKET NO. 961346-TP



DEPOSITION OF: MITCHELL A. KUPINSKY

TAKEN AT THE  
INSTANCE OF: The Staff of the Florida  
Public Service Commission

PLACE: Gerald L. Gunter Building  
2540 Shumard Oak Boulevard  
Room 362  
Tallahassee, Florida

TIME: Commenced at 9:30.m.  
Concluded at 1:30 p.m.

DATE: Thursday, February 6, 1997

REPORTED BY: JOY KELLY, CSR, RPR  
Chief, Bureau of Reporting



1 **APPEARANCES:**

2           **PHILLIP J. CARVER, in person, and NANCY**  
3 **WHITE, via telephone, BellSouth Telecommunications,**  
4 **Inc., c/o Nancy H. Sims, 150 South Monroe Street,**  
5 **Suite 400, Tallahassee, Florida 32301-1556, appearing**  
6 **on behalf of BellSouth Telecommunications, Inc.**

7           **CHARLIE PELLEGRINI and MARTHA CARTER BROWN,**  
8 **Florida Public Service Commission, Division of Legal**  
9 **Services, 2540 Shumard Oak Boulevard, Tallahassee,**  
10 **Florida 32399-0870, appearing on behalf of the**  
11 **Commission Staff.**

12           **DOUGLAS G. BONNER, Swidler & Berlin,**  
13 **Chartered, 3000 K Street, N. W., Suite 300,**  
14 **Washington, D. C. 20007, appearing on behalf of**  
15 **Telenet of South Florida, Inc.**

16

17

18 **ALSO PRESENT:**

19           **Maryrose Sirianni, FPSC Communications**

20           **Nancy Sims, BellSouth**

21           **Stan Greer, FPSC Cumunications**

22           **Marvin Kupinsky**

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## I N D E X

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**S T I P U L A T I O N**

8

IT IS STIPULATED that this deposition  
9 was taken pursuant to notice in accordance with the  
10 applicable Florida Rules of Civil Procedure;  
11 that objections, except as to the form of the  
12 question, are reserved until hearing in this cause;  
13 and that reading and signing was not waived.

14

IT IS ALSO STIPULATED that any  
15 off-the-record conversations are with the consent  
16 of the deponent.

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1           **MR. PELLEGRINI:** This is the deposition of  
2 Telenet of South Florida, Witness Mitchell A.  
3 Kupinsky, 961346-TP, taken by Commission Staff, in  
4 Tallahassee on February 6th, 1997. We'll take  
5 appearances at this time.

6           My name is Charlie Pellegrini appearing on  
7 behalf of Commission Staff.

8           **MR. BONNER:** My name is Douglas G. Bonner of  
9 the law firm Swidler & Berlin, on behalf of Telenet  
10 South Florida, Inc. the petitioner.

11           **MR. CARVER:** Phillip Carver on behalf of  
12 BellSouth, 150 West Flagler Street, Suite 1910, Miami,  
13 Florida 33130.

14           **MR. PELLEGRINI:** Do counsel agree as to the  
15 usual stipulations?

16           **MR. CARVER:** Yes.

17           **MR. BONNER:** Which are?

18           **MR. PELLEGRINI:** Are you familiar with them?  
19 (Hands stipulations to counsel.)

20           **MR. BONNER:** Yes, so stipulated.

21

22

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1                                   **MITCHELL A. KUPINSKY**

2 appeared as a witness and, after being duly sworn by  
3 the court reporter, testified as follows:

4                                   **EXAMINATION**

5 **BY MR. PELLEGRINI:**

6           Q     Good morning, Mr. Kupinsky.

7           A     Good morning.

8           Q     Whenever you feel the need for a break just  
9 let me know.

10          A     I need a break. No, I'm just kidding.

11 (Laughter)

12          Q     Would you please state your full name for  
13 the record?

14          A     Mitchell A. Kupinsky.

15          Q     What is the business?

16          A     I'm the vice president of Telenet South  
17 Florida.

18          Q     And the address of that business?

19          A     10422 Taft Street, Pembroke Pines, Florida  
20 33026.

21          Q     Do you have with you the direct and rebuttal  
22 testimony which you filed in this docket?

23          A     My attorney does, yes.

24          Q     I'm going to ask you to refer to that  
25 testimony at various times.

1           A     Sure.

2           Q     Let me begin, Mr. Kupinsky, by asking you  
3 this: Is BellSouth currently providing its multipath  
4 call forwarding to Telenet?

5           A     Yes.

6           Q     With limitations or not?

7           A     Yes, with limitations right now.

8           Q     Can you describe those limitations, please?

9           A     We have the multipath feature on most of our  
10 lines that we ordered them on in two locations and we  
11 haven't been given them yet, so I would consider that  
12 a limitation.

13          Q     That would be a limitation in respect to  
14 service to existing customers?

15          A     Right. We have the limitation that we could  
16 use the multipath call forwarding to provide it to our  
17 existing customers as of November 15th, I think was  
18 the date. We're not allowed to add on any new  
19 customers to use the service.

20          Q     Telenet currently is providing service to  
21 customers in Florida; is that correct?

22          A     Correct.

23          Q     How many?

24          A     Right now about 239, give or take. I was in  
25 the office most of yesterday.

1 Q That's the number of existing customers?

2 A Correct.

3 Q And is there some number of prospective  
4 customers?

5 A Sure. About another hundred prospective  
6 customers. These customers are waiting for the  
7 network to be completed all the way to Palm Beach and  
8 we're waiting to receive the multipath call forwarding  
9 on those two locations I mentioned before.

10 Q Describe for me, if you would, Mr. Kapinsky,  
11 the type of service that Telenet is providing to the  
12 existing customers?

13 A We provide phone service between Dade,  
14 Broward and Palm Beach counties. Right now we're good  
15 from Dade-Broward up in the Boynton Beach calling area  
16 in Palm Beach.

17 Q Tell me what you mean by phone service.

18 A A Telenet customer dials a phone number  
19 which gives them access to our computer. They enter  
20 in their access code; they enter in the telephone  
21 number they wish to reach. Our computer transfers the  
22 call and they get the number they dialed.

23 Q Turn, if you would, to Page 3 of your direct  
24 testimony, Line 15.

25 A Since May?

1 Q I'm sorry.

2 MR. BONNER: There's no question pending.

3 Wait for a question.

4 A I'm sorry.

5 Q I'm just referring your attention to Page 3,  
6 Line 15. Are you there?

7 A Yes.

8 Q There you state that Telenet has offered  
9 local exchange services in competition with BellSouth  
10 since May 1996, correct?

11 A Correct.

12 Q What exactly -- what services exactly has  
13 Telenet provided in competition with BellSouth?

14 A As I mentioned before, the local phone calls  
15 between Dade-Broward and Palm Beach County. (Pause)

16 Q Do you have your tariff, a copy of your  
17 tariff?

18 MR. BONNER: No, we don't have a copy of our  
19 tariff. You're referring to the price list?

20 MR. PELLEGRINI: Price list.

21 MR. CARVER: This is their tariff?

22 MR. PELLEGRINI: Telenet's price list.

23 Q (By Mr. Pellegrini) Turn to original sheet  
24 Page 39, the price list.

25 A I'm there.



1 Q Pages 38 and 39 actually.

2 On Page 38 the indication is the company  
3 does not yet offer basic local service; is that  
4 correct?

5 A That's what it says.

6 Q All right. Then on Page 39, original sheet  
7 39, the service which you just described that you  
8 offer in competition with BellSouth, is that the  
9 service described in 4.19(a)? (Witness reads  
10 document.)

11 A Correct.

12 Q Again, on Page 3 of your direct testimony,  
13 let me refer your attention to Lines 16 through 18.

14 You state that Telenet uses a computer voice  
15 mail network which provides all customers with access  
16 codes and enables them to use what are usually  
17 considered toll calls for a flat fee within the  
18 existing service area; is that correct?

19 A Yes.

20 Q Can you explain, how does a customer avoid  
21 paying toll charges by using Telenet in this fashion?

22 A To access the computer voice mail network  
23 they are dialing a local number to them. So they  
24 receive no charge there. They enter in their access  
25 code, the phone number they wish to reach. Our

1 computer looks it up on a routing table and then  
2 routes it accordingly to another IVR, or computer in  
3 the destination area and places the call out.

4 MR. PELLEGRINI: Let's take a five-minute  
5 break until we get set up with the phone.

6 (Brief recess.)

7

- - - - -

8 MR. PELLEGRINI: Nancy.

9 MS. WHITE: I'm here. (Via telephone)

10 MR. PELLEGRINI: Nancy, let's take your  
11 appearance at this point.

12 MS. WHITE: Nancy White for BellSouth  
13 Telecommunications.

14 THE REPORTER: You're in Atlanta, Nancy?

15 MS. WHITE: Yes, I'm in Atlanta.

16 MR. CARVER: For a couple more weeks.

17 BY MR. PELLEGRINI:

18 Q We're back on the record.

19 Mr. Kupinsky, let me turn you back for a  
20 moment to the price list, and original sheets 38 and  
21 39 again.

22 There's a bit of confusion, a little bit of  
23 confusion. On original sheet 38 the statement is that  
24 the company does not yet offer basic local service,  
25 and yet in your direct testimony you state that

1 Telenet has offered local exchange services in  
2 competition with BellSouth. Can you explain?

3 A We don't provide basic local service in the  
4 sense we don't provide dial tone. And then we provide  
5 the local exchange service -- (Phone rings.)

6 MR. PELLEGRINI: Excuse me. Has someone  
7 else joined us?

8 MR. GREER: Charlie, this is Stan. I was  
9 trying to check. Apparently Nancy White is having  
10 some problems with getting in, so I was trying to --

11 MR. PELLEGRINI: Nancy is on.

12 MR. GREER: Is she? Okay. They just called  
13 me and told me to call in and see if we could get it  
14 set up.

15 MR. PELLEGRINI: Are you going to stay on?

16 MR. GREER: Yes.

17 MR. PELLEGRINI: This is Stan Greer.

18 MR. BONNER: Commission Staff?

19 MR. PELLEGRINI: Commission Staff.

20 Q (By Mr. Pellegrini) We may have been  
21 interrupted in your answer.

22 A We don't provide basic local service as  
23 indicated on Page 38 in the sense we don't provide  
24 dial tone.

25 Page 39, we provide -- how is it termed --

1 interLATA call switching for customers.

2 Q So then where you say in your direct  
3 testimony that you offer local exchange services in  
4 competition with BellSouth, again what you mean, if I  
5 understand you correctly, is the service described in  
6 4.1(a) on original sheet 39; is that correct?

7 A Correct. Exactly.

8 Q Now, I think I asked you before the break to  
9 turn to Page 3 of your direct testimony, Line 16  
10 through 18, where you say "Telenet uses a computer  
11 voice mail network that provides all customers with  
12 access codes and enables them to use what are usually  
13 considered toll call lines for a flat fee within the  
14 existing service area." I asked you how does a  
15 customer avoid paying too charges by using Telenet.  
16 Would you please repeat your answer?

17 A Sure. The customer access is the computer  
18 voice mail network, by dialing a number that is local  
19 to them, this gets them into the computer; they enter  
20 their access code, they enter the telephone number  
21 they wish reach. Our computer then looks into its  
22 routing table, calls a forwarding line which then  
23 wraps the call to the end computer which then places  
24 the call out which is a local call.

25 Q What is a typical flat fee that a customer

1 would pay?

2 A 10 cents for a call.

3 Q What does Telenet pay BellSouth for that  
4 call?

5 A I pay BellSouth for the lines I use. I pay  
6 them basic monthly fees.

7 Q Which is how much?

8 A Between \$40 and \$50, depending on what  
9 features I have on the line. Per month.

10 Q Are those B-1 lines?

11 A B-1 lines?

12 Q B-1 lines.

13 A What do you mean by B-1 lines? They are  
14 standard business lines.

15 Q Standard business lines.

16 Still on Page 3, last line, Line 18  
17 continuing Page 4, Lines 1 through 3 of your direct  
18 testimony, you continue to say that customers are  
19 provided service by utilizing forwarding lines to  
20 create direct connections between each Telenet IVR, or  
21 interactive voice response switching system, which  
22 route calls between each other.

23 Explain in more detail the primary function  
24 of an IVR switching system?

25 A The IVR has the capability of doing many

1 things. It is able to recognize access codes,  
2 telephone numbers. It has the capabilities of putting  
3 a call on hold, transferring it, dialing another  
4 number at the same time. And that's basically what it  
5 does. It takes their access code, takes the telephone  
6 number, looks up in the routing table, puts that  
7 customer on hold, calls the appropriate forwarding  
8 line until it reaches the other IVR and then connects  
9 the customer.

10 Q Is the IVR system actually a stand-alone  
11 switch?

12 MR. BONNER: Object to the form of the  
13 question. You may answer.

14 A Is it is a stand-alone switch.

15 Q Does it perform the equivalent functions of  
16 a typical LEC switch?

17 A I have wouldn't say it's a typical LEC  
18 switch, no, but it does the same basic thing in a  
19 different manner.

20 Q Why do you say it's not a typical LEC  
21 switch?

22 A It's a voice mail application. The LEC  
23 switches aren't voice mail applications. (Phone  
24 rings)

25 MR. PELLEGRINI: Do we have someone joining?

1 Q (By Mr. Pellegrini) Is the IVR technical  
2 equipment --

3 A Yes.

4 Q -- that performs detail --

5 A It's a computer.

6 Q -- routing functions.

7 A Right.

8 Q So then it's really a piece of routing  
9 equipment rather than a switch; is that correct?

10 MR. BONNER: Object to the form of the  
11 question. You may answer.

12 A It routes calls.

13 Q Are you distinguishing it -- are you  
14 distinguishing it from a switch?

15 (Noise on telephone.)

16 Q Mr. Kupinsky, my question was whether or not  
17 you are, in fact, distinguishing the IVR as something  
18 other than a switch?

19 MR. BONNER: Object to the form of the  
20 question.

21 Q (By Mr. Pellegrini) A typical LEC switch,  
22 I should say.

23 A Yeah. It's not a typical LEC switch.

24 Q What other types of facilities does Telenet  
25 have?

1           A     We have the IVRs and we have the BellSouth  
2 phone lines. And we have our accounting business  
3 system which interacts with the IVRs to keep track of  
4 customer calls and bill them accordingly.

5           Q     Anything by way of outside plant that you  
6 haven't mentioned?

7           A     Excuse me?

8           Q     Anything by way of outside plant that you  
9 haven't mentioned?

10          A     No.

11          Q     Refer to Exhibit MAK-1. Do you have that  
12 available?

13          A     Yes.

14          Q     Okay. This is a diagram of the Telenet  
15 virtual network; is that correct?

16          A     It's not a complete diagram in that it  
17 doesn't list every single phone line we have and where  
18 they are forwarded to, but it basically outlines the  
19 area we serve and gives locations of our IVRs.

20          Q     It's a description of Telenet's parent  
21 network, apparently, but not a complete one?

22          A     It's not complete in the sense that it  
23 doesn't list every single line we have and use and  
24 where they forward to.

25          Q     Does it include all of the IVRs --



1           A     Yes.

2           Q     -- in place?

3                     Mr. Kupinsky, let me ask you to work with  
4 this diagram for a while.

5           A     Sure.

6           Q     Explain it to us in some detail, would you  
7 please?

8           A     Sure.

9           Q     For example, tell us what the functions  
10 first of the modems is, what the function next to the  
11 hunt groups is and what the function next to the  
12 forwarding lines is?

13           A     Sure. The modems are used so the accounting  
14 system can call into the IVR and transfer files, which  
15 would include customer information, new account  
16 numbers, old account numbers that need to be deleted  
17 and they get from the IVRs the call counts. That's  
18 what the modem lines are use for.

19                     The hunt groups are used for the customers  
20 to access the computers, the IVRs themselves. They  
21 are given the first number in the hunt group.

22           Q     Is that the access code?

23           A     No. That is the local telephone number to  
24 get into the computer. The customer is also given an  
25 access code. After they would dial a telephone number

1 to get into a local computer, they are given a prompt  
2 which is simply just a "boop" and they enter their  
3 access code; and they are given another prompt, which  
4 is a double "boop" to enter the telephone number they  
5 wish to reach.

6           Then the IVR would call -- for example,  
7 someone is in the Miami calling area. They would call  
8 the number for the IVR-5, which is in the Miami  
9 calling area. Let's say they want to call a number in  
10 Pompano Beach. They would enter their access code;  
11 IVR-5 would recognize it and then they would enter a  
12 Pompano telephone number they wish to reach. IVR-5 in  
13 Miami would then look up on the routing table for the  
14 correct forwarding number which would route it to  
15 IVR-3 in Pompano Beach. It would call the forwarding  
16 number which would be in North Dade. That North Dade  
17 forwarding number would call a forwarding number in  
18 Hollywood which would call the next forwarding number  
19 in Fort Lauderdale. And Fort Lauderdale would then  
20 call IVR-3 and place the call out for them from IVR-3.  
21 And the same would work in any instance of going from  
22 Miami to Hollywood or to 3 to 2 or 1. They would be  
23 calling different telephone numbers to get the  
24 appropriate IVR.

25           Q       That describes the function of the

1 forwarding lines?

2 A Correct. (Pause)

3 Q In that response, Mr. Kupinsky, have you  
4 identified all of the equipment that would be involved  
5 in the transmission of that call end to end?

6 A Yes.

7 MR. BONNER: You mean all of the Telenet  
8 equipment?

9 WITNESS KUPINSKY: It's obviously the  
10 customer's telephone they have to use.

11 MR. PELLEGRINI: Yes. Yes.

12 Q (By Mr. Pellegrini) Is Telenet reselling  
13 extended calling service, or ECS, within an ECS  
14 calling area?

15 A I think that's a matter of semantics if you  
16 want to say we're reselling the calling service.  
17 We're not purchasing calls from BellSouth and then  
18 reselling them. We are purchasing forwarding lines  
19 which we use in our network to provide the service we  
20 provide.

21 Q Mr. Kupinsky, are you familiar with Florida  
22 Statute 364.161(2)?

23 A I believe so, yes.

24 Q Do you have a copy? If not --

25 MR. BONNER: Yes.

1 (Hands document to witness.)

2 A Yes.

3 Q Would you agree that the statute provides  
4 that with the exception of local service and any  
5 restrictions on service or facilities that the  
6 Commission may determine to be reasonable, that a LEC  
7 is required to resell all of its services or  
8 facilities?

9 MR. BONNER: Objection. The statute does  
10 speak for itself and the question may call for a legal  
11 opinion from a lay witness, but you may answer to the  
12 best of your knowledge.

13 WITNESS KUPINSKY: That's what I understand  
14 the statute to say, yes.

15 Q (By Mr. Pellegrini) Is Telenet reselling  
16 ECS outside of an ECS calling area; that is patching  
17 together calls across ECS boundaries?

18 A And by ECS boundaries you mean --

19 Q The extended calling service areas.

20 A BellSouth's extended calling service areas,  
21 yeah, we do go beyond them.

22 Q You're familiar with extended calling  
23 service areas?

24 A I believe so. You mean by, for example,  
25 Miami's calling areas, their extended calling service

1 extends to the Hollywood area?

2 Q That's correct.

3 A Correct.

4 Q Based on Florida Statute 364.161(2) which we  
5 discussed a moment ago, do you believe that it is  
6 reasonable for BellSouth to resell its call forwarding  
7 services to Telenet, either within an ECS calling area  
8 or outside of an ECS calling area for the purpose of  
9 avoiding toll charges?

10 A Yes.

11 Q Why do you believe that?

12 A I believe that because the call forwarding  
13 is a key element in our network. And if this is the  
14 way we choose to compete in this area, we can't do it  
15 without the call forwarding. And by placing the  
16 restriction on it, I believe it's anticompetitive.  
17 It's a bottleneck not allowing us to enter the market  
18 in this fashion.

19 Q Let me refer your attention to Florida  
20 Statute 364.16(3)(a).

21 MR. BONNER: What was that number again.

22 MR. PELLEGRINI: 364.(3)(A).

23 That statute states that "No local exchange  
24 telecommunications company or ALEC shall knowingly  
25 deliver traffic for which terminating access service

1 charges would otherwise apply through a local  
2 interconnection arrangement without paying the  
3 appropriate charges for such terminating access  
4 service." Do you see that?

5 A Yes, I do.

6 Q Then based on that, do you believe that  
7 Telenet is in violation of this statute by utilizing  
8 multipath call forwarding to provide what would  
9 normally be a toll service?

10 MR. BONNER: Objection. That question calls  
11 for a legal opinion from a lay witness. I will allow  
12 the witness to answer to the best of his knowledge  
13 subject to that objection.

14 WITNESS KUPINSKY: No, I don't think Telenet  
15 is violating that or trying to -- is subject to  
16 interconnection fees.

17 Q (By Mr. Pellegrini) I'm sorry. Can you  
18 explain that answer further?

19 A All calls within the Telenet system begin  
20 and end within BellSouth's LATA. In addition, when we  
21 applied for our ALEC license before the Commission we  
22 asked what type of license would be appropriate and  
23 they informed us it would be the ALEC, not the IXC.  
24 We did look into that and then we went with our plans  
25 accordingly.

1 Q What I understand you to have said,  
2 Mr. Kupinsky, is that you believe it's appropriate  
3 that you not pay BellSouth an access service charge  
4 for a call that would in other circumstances be a toll  
5 call?

6 MR. BONNER: Objection again. Calls for a  
7 legal opinion from the witness, but you may answer to  
8 the best of your knowledge.

9 WITNESS KUPINSKY: Correct.

10 Q (By Mr. Pellegrini) I'm sorry, your answer  
11 was what?

12 A Yes, correct.

13 Q You believe it to be appropriate? Maybe I  
14 should restate the question.

15 A Yeah.

16 Q My question was do you believe it to be  
17 appropriate that you not pay BellSouth an access  
18 charge when delivering a call through your network?

19 A I believe it to be appropriate that we don't  
20 pay them an access charge, right. I don't think that  
21 what we do falls under this category and should be  
22 charged the interconnection fees.

23 Q What you are saying, I think, Mr. Kupinsky,  
24 is that you feel that -- you believe that it is  
25 appropriate that you bypass toll charges; is that

1 correct?

2 MR. BONNER: Object to the form of the  
3 question. What toll charges are being referred to,  
4 interLATA or intraLATA?

5 MR. PELLEGRINI: IntraLATA.

6 WITNESS KUPINSKY: Yes.

7 Q (By Mr. Pellegrini) Explain, please.

8 MR. BONNER: Object to the form of the  
9 question. You may answer if you can.

10 WITNESS KUPINSKY: Can you repeat the  
11 question?

12 Q (By Mr. Pellegrini) I've asked you to  
13 explain -- your answer was that you believed that it  
14 was appropriate to bypass toll charges. And I'm  
15 asking you to explain why you believe it's appropriate  
16 to do so?

17 A You're referring to the toll charge, not the  
18 interconnection access fees?

19 Q My question really is with reference to the  
20 statute --

21 A That's what I'm getting confused about.

22 Q -- 364.16(3)(a), reference to that statute.

23 A I'm not an attorney, but as I understand  
24 that that refers to if I was providing service from  
25 one LATA and having it terminate in BellSouth's LATA



1 then it would be appropriate for me to pay  
2 interconnection fees. Our service, all calls begin  
3 and end within BellSouth South Florida LATA --

4 Q But it still would -- I didn't mean to cut  
5 your answer off.

6 But still you're avoiding intraLATA toll  
7 charges by this means, are you not?

8 MR. BONNER: I would just interpose an  
9 objection here because I think this provision  
10 364.16(3)(a) refers to access charges, it does not  
11 refer to toll charges. And I think they are really  
12 two different things and that's why the witness is  
13 confused.

14 Q (By Mr. Pellegrini) You're bypassing both,  
15 are you not?

16 A Our customers aren't paying the toll charge.

17 Q But Telenet is bypassing the access charge?

18 MR. BONNER: Objection. Calls for a legal  
19 opinion. The witness has indicated that he does not  
20 believe access charges are appropriate for these types  
21 of calls.

22 Q (By Mr. Pellegrini) Let me refer you to  
23 Page 7 of your direct testimony, Lines 2 through 8.

24 Let me ask you this with reference to what  
25 your statements at Lines 2 through 8 -- what type of

1 services or elements must Telenet purchase from  
2 BellSouth?

3 A The remote access to call forwarding with  
4 the multipath feature; standard business lines with  
5 prestige service, such as hunt groups; user transfer;  
6 three-way calling; as we grow and our volume increases  
7 we're going to require T-1 lines as a matter of  
8 capacity. That's what I require from BellSouth.

9 Q And these are the services which you do  
10 describe on Page 7, Lines 2 through 8; is that  
11 correct?

12 A Yes.

13 Q Are there other services? Is this a  
14 complete list of -- in other words, is this a complete  
15 list?

16 A To the best of my knowledge, yes. I'm not  
17 the technical expert that put the whole system  
18 together. We hired people and to the best of my  
19 knowledge this is what we require.

20 Q Turn now to Page 9, Mr. Kupinsky. Look at  
21 Lines 2 through 5.

22 A Yes.

23 Q You state that a large percentage of  
24 Telenet's lines were not equipped with multipath call  
25 forwarding features that have been ordered in

1 conjunction with the lines and that BellSouth agreed  
2 to provide; is that correct?

3 A Correct.

4 Q Although you say the multipath features were  
5 not being provided, was BellSouth billing Telenet for  
6 those services?

7 A Yes.

8 Q Did Telenet pay for those services?

9 A Yes.

10 Q Then you're saying that Telenet paid  
11 BellSouth for services that were not actually  
12 provided?

13 A Correct.

14 Q What prompted you to pay for services that  
15 were not provided?

16 A We needed the lines to test our equipment  
17 and we had to pay the bill or else we wouldn't have  
18 lines. And upon testing, we realized that they did  
19 not have the multipath feature.

20 We informed BellSouth of this. There was a  
21 lot of confusion on their end on why we didn't have  
22 it. And it finally came up that the reason why the  
23 areas that didn't have the multipath feature was they  
24 were in their older central offices and that special  
25 assemblies would be required to provide the multipath

1 feature.

2 We did look to seek some compensation for  
3 the time when we were paying for the lines and not  
4 getting the service we had requested and were paying  
5 for, but nothing came of that.

6 And if I didn't pay for the lines and they  
7 were disconnected, I knew that down the line I would  
8 need them anyways; to reorder them and pay the  
9 connection fees again, it was just easier to keep them  
10 and pay for them instead of having to terminate them  
11 and having to start all over again.

12 Q Do you consider the matter to be -- does  
13 that matter still require some form of resolution in  
14 your opinion?

15 A It has not been resolved as of yet. But as  
16 I understand it, it's in the process of being  
17 resolved.

18 We had three areas where we required special  
19 assemblies: Delray, Boynton Beach and Deerfield  
20 Beach. BellSouth sent us over a special service  
21 agreement. It wasn't what we had requested. The  
22 special service requires us to purchase many  
23 additional lines at a much greater cost.

24 When we asked BellSouth to modify the  
25 agreement, speaking with Doc Moore, the account

1 representative, he said that he would not be able to  
2 do this at that time. And he cited that it was --  
3 first he said it was a tariff issue and then he said  
4 it was a technical issue; there's physical limitations  
5 at the site.

6           Then we had some technical experts look  
7 into -- our telephone people -- look into what really  
8 were the capabilities of their stations. And we also  
9 found out that actually the Deerfield Beach station  
10 had been upgraded from 1-A to a 5ES and then a special  
11 assembly was not required.

12           This upgrade was in October. We found out  
13 about it in November, actually late November, and no  
14 special assembly was required and we were given the  
15 multipath feature.

16           In Boynton and Delray, again I had --  
17 BellSouth was claiming that their 1-A station was not  
18 able to perform the special assembly the way we wanted  
19 it. It was only to be done with the purchase of --  
20 essentially they wanted us to put a hunt group behind  
21 each forwarding line. For example, if I wanted a  
22 ten-line path, I'd have to put a ten-line hunt group  
23 behind it, so that's ten additional lines for each  
24 forwarding line.

25           I didn't believe this to be true by what Doc

1 Moore had told me first. He said it was a tariff  
2 issue; then it was technical issue.

3 Brought it to the attention to my attorneys  
4 and my attorneys spoke with BellSouth attorneys. They  
5 responded with a letter saying that the 1-A station is  
6 not capable of the special assembly the way we wanted  
7 it.

8 I showed this letter to a couple of my  
9 technical people. They spoke with some BellSouth  
10 engineers. And later that day -- this was Friday of  
11 last week -- I called Doc Moore again and just asked  
12 him about the 1-A stations in Boynton and Delray, and  
13 then he informed me that it's come down the pipeline  
14 that they are going to be able to accommodate us the  
15 way we want with the special assembly. I asked him  
16 why? He said it's a new world. And then he also said  
17 that there's some tariff changes. And that BellSouth  
18 had looked into the stress we were putting on their  
19 system, and we weren't putting any stress on their  
20 system. So Monday he said I should call him back and  
21 he would let me know for sure. He sent over a new  
22 agreement wiping out the one where we required the  
23 access lines. I initialled it and sent it back to  
24 him. He said I should have it in a week to ten days.  
25 Hopefully by the end of next week the special

1 assemblies will be complete and I'll have the  
2 multipath features I originally ordered back in July  
3 and August.

4 Q If that happens, will that put this  
5 particular matter to rest as far as you're concerned?

6 A This special assembly matter, yes.

7 MR. BONNER: Although I would say for the  
8 record at this point that Telenet and BellSouth had an  
9 arms-length good faith settlement agreement that  
10 required these special assemblies be required that  
11 these special assemblies be provided immediately at  
12 the time the settlement agreement was reached,  
13 negotiated, in November of 1996. It's been two months  
14 after the fact that now we're told we finally are  
15 going to get what was promised to us, to Telenet, in  
16 1996. So BellSouth in Telenet's eyes has not lived up  
17 interim settlement agreement negotiated in November  
18 '96.

19 WITNESS KUPINSKY: That was a little  
20 coincidental that after my technical people got on the  
21 phone with some BellSouth engineers, and suddenly that  
22 day it appeared it's all of a sudden capable. Sydney  
23 Smith, who was my technical expert, was also -- he  
24 told me that actually his former employer was  
25 contacted by BellSouth; they were looking into his

1 background. I thought that was a little bit  
2 interesting, too.

3 MR. CARVER: Since we're going to make  
4 statements on the record about that, let me go just  
5 ahead and I'll make mine, too, which is that basically  
6 that's not really related to the subject matter of  
7 this proceeding. We're talking about a technical  
8 situation having to do with a switch and whether there  
9 was the capability. And if they believe that we  
10 didn't perform promptly and they want to file a  
11 lawsuit for business damages or whatever they think  
12 they are entitled to they can. But the limited issue  
13 here, of course, is the tariff restriction.

14 So my position would be that none of that  
15 has anything to do with what is before the Commission  
16 now.

17 MR. PELLEGRINI: I think really we ought to  
18 focus on the witness's testimony, and keep statements  
19 by counsel to a bear minimum.

20 Q (By Mr. Pellegrini) Let me turn your  
21 attention, Mr. Kupinsky, back to Telenet's price list.

22 A Okay.

23 Q And specifically Section 4, original sheet  
24 39 again.

25 Under Part A it is stated that the Company



1 offers intraLATA call switching for customers,  
2 correct?

3 A Correct.

4 Q I'd like you to explain in some greater  
5 detail what you consider call switching to be; not  
6 greater detail, in some detail.

7 A Again, I'm not an expert on the subject, but  
8 my understanding of our switching was our IVRs acted  
9 as a switch to get from one area to another. Meaning  
10 they called the local IVR which then forwarded it or  
11 switched it to the destination area.

12 Q Each IVR apparently serves some discrete  
13 number of exchanges, is that --

14 A Correct. It serves BellSouth's local  
15 calling area and that IVR.

16 Q Would it be fair then to say that Telenet is  
17 an intraLATA toll provider?

18 MR. BONNER: Object to the form of the  
19 question. You may answer.

20 WITNESS KUPINSKY: An intraLATA toll  
21 provider. Sure, we provide calls within the LATA.

22 Q (By Mr. Pellegrini) Does Telenet have  
23 customers that presubscribe to Telenet as their  
24 intraLATA toll provider?

25 A By presubscribe you mean prepaying before

1 they receive the service?

2 Q No.

3 A I don't understand what you mean by  
4 presubscribe.

5 Q Well, presubscription really entails access  
6 without the need of an access code.

7 A They need an access code.

8 Q So then Telenet does have customers that  
9 presubscribe to Telenet as their intraLATA toll  
10 provider.

11 MR. BONNER: Object to the form of the  
12 question. It's not clear what is being referred to as  
13 a intraLATA toll provider. I don't think the witness  
14 understands the term.

15 Q Do you understand the question?

16 A I think you're asking me if because they  
17 needs an access code are they presubscribing? And,  
18 yes, they do need an access code, and if that's what  
19 you mean by presubscribing, then, yes, they  
20 presubscribe.

21 Q Again with reference to Part A, you stated  
22 that customers access the company network through a  
23 local access telephone number via their LEC?

24 A Correct.

25 Q What would a customer located in Jupiter who

1 wants to call Hollywood, for example, dial to obtain  
2 Telenet service?

3 A They would dial 8329111, is actually, I  
4 believe, the phone number they would dial.

5 Q Just the single number?

6 A That would get them into the computer.  
7 Again I said they would be prompted for their access  
8 code and they'd enter their access code. If their  
9 access code was valid, they would be prompted again  
10 for the telephone number they wished to reach. And  
11 the number down in Jupiter they would enter 1-305,  
12 then the telephone number.

13 Q What would the customer pay Telenet for this  
14 call?

15 A 10 cents.

16 Q You indicated that the customer would dial 1  
17 and then 305?

18 A Correct.

19 Q Would that not indicate that the call was a  
20 long distance call?

21 A The reason for the 1 and the 305 is that  
22 there's similar exchanges -- you know, first we did  
23 prefixes in all three area codes. This way the  
24 computer knows where to switch it to. If they just  
25 entered the phone number, they look at the prefix on

1 the routing table and let's say they were trying to  
2 dial 555. There's a 555 in Fort Lauderdale or a 555  
3 down in Miami and the computer wouldn't know where to  
4 transfer the call to. By entering the area code they  
5 know which area to route the call to.

6 Q But my question is more specifically  
7 directed to the need to use 1.

8 A You would use 1-954 if you were also within  
9 954, or 305 or 561 the same.

10 Q You said the customer would pay Telenet 10  
11 cents for this call.

12 A Correct.

13 Q Would the customer pay BellSouth something  
14 for this call?

15 A For that call, no. They pay BellSouth still  
16 their basic monthly service to get dial tone.

17 Q And what would Telenet pay BellSouth for  
18 this call?

19 A For that call?

20 Q Yes.

21 A For that call itself nothing. We pay  
22 monthly for the lines we use.

23 Q Which you described earlier to be in the  
24 range of \$40 to \$50 a month?

25 A Per line. Depending which features are on

1 the line. The 40 lines obviously have different  
2 features than the hunt group lines.

3 Q Still with reference to Part A, there it's  
4 stated that the Company then routes a customer's call  
5 to a specified telephone number within the Company's  
6 service area listed in the exchange service list,  
7 correct?

8 A Correct.

9 Q Does a customer have to originate the call  
10 in one of the exchanges listed on these pages, meaning  
11 pages 7 through 13?

12 MR. BONNER: Of?

13 MR. PELLEGRINI: Of the price list.

14 MR. BONNER: Price list, okay.

15 WITNESS KUPINSKY: If I understand the  
16 meaning, for example, if a customer in Miami, within  
17 the Miami calling area, their prefix would be one of  
18 these prefixes, correct?

19 Q (By Mr. Pellegrini) Yes. But my question  
20 was does a customer have to originate the call in one  
21 of the exchanges listed on those pages?

22 A They don't have to, no. If they were not in  
23 the local calling area, then they would end up paying  
24 BellSouth a charge.

25 For example, if you were in Fort Lauderdale

1 or if you were in Key West, which we don't have here,  
2 and you call the Miami IVR, you would pay BellSouth  
3 charges.

4 Q Yes. The exchanges which are listed on  
5 Pages 7 through 19, are those the exchanges in which a  
6 Telenet customer can terminate a call?

7 A Yes, sir. (Pause)

8 Q Let me ask you to consider this scenario,  
9 Mr. Kupinsky.

10 Say a Telenet customer is located in West  
11 Palm Beach and he wants to terminate a call in  
12 Hollywood, which is listed on your exchange service  
13 list, the customer in West Palm would call a local  
14 access number in Jupiter?

15 A In West Palm, right, at the IVRs in West  
16 Palm, which is a local call to Jupiter.

17 Q Which would be a local call. And through  
18 the use of Telenet's routing and its IVR switching  
19 system, this customer could make this call without  
20 incurring intraLATA toll charges and Telenet would not  
21 pay BellSouth access charges. Is there anything in  
22 that that is not correct?

23 A The customer pays us a charge. They pay us  
24 ten cents for the call.

25 Q Yes. But the customer would not incur an

1 intraLATA toll charge?

2 A From BellSouth? No, not from BellSouth.

3 Q Turn back once again, Mr. Kupinsky, to

4 original Page 39 in the price list, please.

5 A Okay.

6 Q There it also states that "the call only

7 exists within the Company's network during routing,"

8 do you see that?

9 A Yes.

10 Q Explain what is meant by that statement,

11 please?

12 A What I mean by that is the calls on the

13 Telenet network, from the time the customer accesses

14 the computer to the time they hear a ring for the

15 number they wish to reach, we drop the call after we

16 get a ring.

17 Q Turn now to your rebuttal testimony, on

18 Page 3, at lines 2 and 3?

19 A Okay.

20 Q Are you with me?

21 A Yes.

22 Q Okay. There you state that "BellSouth's

23 tariff restrictions are contrary to more than 20 years

24 of Federal Communications policy and economic logic

25 and only serve to delay the need for BellSouth to

1 adjust its prices to reflect forward-looking costs."  
2 is that correct?

3 A Correct.

4 Q Explain in some detail what you mean by the  
5 latter part of that statement; that is "only serves to  
6 delay the need for BellSouth to adjust its prices to  
7 reflect forward-looking costs."

8 MR. CARVER: Let me make sort of an  
9 objection that -- I apologize, but I guess it's  
10 certainly not a statement but I think it's one I have  
11 to make.

12 I don't believe pricing is properly an issue  
13 in this docket. And I understand you have to ask the  
14 pricing questions, and I probably will too. But to  
15 the extent, or in the event that my Motion to Strike  
16 is granted, I'm probably also going to move that all  
17 of the questions related to price not be admitted into  
18 evidence.

19 So I just wanted to make that clear that by  
20 not objecting further I'm not waiving anything; if  
21 everyone could agree with that.

22 MR. PELLEGRINI: I agree.

23 MR. BONNER: Yes. Let me briefly respond.

24 Telenet believes that pricing is at the very  
25 heart of this dispute, and there's a real significant



1 public interest issue involved, obviously, in the  
2 ability of Florida consumers to make these kinds of  
3 calls without having to pay BellSouth interLATA toll  
4 charges.

5           MR. CARVER: And I wasn't so much saying  
6 what I said because I wanted to make a statement, I  
7 just want to make clear that I object to this and I  
8 wanted to be sure that everybody agrees that I don't  
9 have to say that every time a pricing issue comes up.  
10 I want to agree that I have a standing objection on  
11 that.

12           Q           (By Mr. Pellegrini) Let me return you to  
13 my question, which was to ask you to explain what you  
14 mean in the latter part of that statement where you  
15 say the tariff restriction only serves to delay the  
16 need for BellSouth to adjust its prices to reflect  
17 forward-looking costs.

18           A           What I mean by that is the tariff stifles  
19 competition allowing BellSouth to charge what they  
20 want to charge. They are essentially a monopoly in  
21 that area. And by not allowing competition they are  
22 not allowing -- they're not forced to drop their  
23 prices to a cost based level or each near to that.

24           Q           Telenet apparently is prepared to accept the  
25 price for this service that is permitted by

1 BellSouth's tariff; is that correct?

2 A Yeah, we pay the tariff price, sure.

3 Q Can you explain why you've taken that  
4 position rather than, for example, pursuing -- rather  
5 than pursuing a resale agreement?

6 A They offered the service at a price I was  
7 willing to pay for it. They provided it. I paid for  
8 it. They accepted it.

9 As far as the resale agreement, when  
10 BellSouth had requested that we enter into a resale  
11 agreement we did make attempts at it and that's  
12 eventually what led us to here. They weren't going to  
13 budge at all on the tariff issue with the call  
14 forwarding.

15 Q Do you recognize the likelihood that the  
16 wholesale price offered under a resale agreement would  
17 be less than the tariff price?

18 A Sure. And it would also take a lot longer.  
19 In doing our business plan, at the prices we're  
20 paying, we're still able to operate at a profit.

21 Q Why --

22 MR. CARVER: Let me just say something,  
23 apparently this gentlemen (indicating) just  
24 communicated something to the witness. I'm going to  
25 object to that. I mean they were talking back and

1 forth.

2 MR. BONNER: Marvin, you can't communicate  
3 to the deponent during the deposition.

4 MR. CARVER: Thank you.

5 Q (By Mr. Pellegrini) If Telenet wants  
6 prices that reflect BellSouth's cost of service, why  
7 didn't Telenet request an unbundling issue in this  
8 docket?

9 MR. BONNER: Can you please repeat that  
10 question?

11 MR. PELLEGRINI: Yes.

12 Q (By Mr. Pellegrini) If Telenet wants  
13 prices that reflect BellSouth's cost for the service  
14 in question, why didn't Telenet request an unbundling  
15 issue in this docket?

16 MR. BONNER: Well, objection. I think that  
17 calls for a legal opinion from the witness about  
18 Telenet's legal strategy and I'm not sure he's  
19 qualified to answer that question. You can answer it  
20 if you're able to.

21 Q (By Mr. Pellegrini) To the extent that you  
22 can.

23 A As I understand it, in our petition we did  
24 bring up the unbundling issue. I wasn't in the issue  
25 identification conference so I don't know if it was

1 discussed there. As I understand it the issue was  
2 posed in the general sense not to limit what could --  
3 what theories and what would be involved in the  
4 docket.

5 Q We have a little bit of a problem with this  
6 because the issue as stated would not appear to reach  
7 pricing matters. As a matter of fact, in the issue ID  
8 conference this matter was specifically discussed.  
9 I'm not sure you're aware of this. And the decision  
10 was to confine the issue -- to confine the issues in  
11 this docket to a single issue which exists.

12 MR. BONNER: That was a decision made, for  
13 the record, by Commission Staff. It was not a  
14 decision made by the parties. We participated in the  
15 conference but the final decision rested with  
16 Commission Staff as to how the issue is to be framed  
17 for the Commission.

18 MR. PELLEGRINI: I don't accept that but I  
19 don't want to argue that point. I just --

20 MR. BONNER: We had input but we did not  
21 have the final say on how it was going to be framed.

22 Q (By Mr. Pellegrini) What I'm asking you,  
23 Mr. Kupinsky, why is it that you believe that pricing  
24 is a relevant consideration given the statement of the  
25 issue?

1           A     I think, as I read --

2           MR. BONNER:  Objection.  Calls for a legal  
3 opinion from the witness.

4                     Also I'd like a clarification of the  
5 question.  I want to object to the form of the  
6 question.  Are you talking about the pricing of  
7 interLATA toll or the pricing of the call forwarding  
8 service?

9           MR. PELLEGRINI:  Pricing of the call  
10 forwarding service.

11          MR. BONNER:  I believe that's asked and  
12 answered but you may answer.

13          WITNESS KUPINSKY:  Can you repeat the  
14 question again, please?

15          Q        (By Mr. Pellegrini)  The question is, given  
16 the statement of the issue in this docket as it is,  
17 why do you believe that pricing is a relevant  
18 consideration for this Commission?

19          MR. BONNER:  Object because it calls for a  
20 legal opinion from the witness, but you may answer to  
21 the best of your ability.

22          WITNESS KUPINSKY:  As I understand it there  
23 is confusion on what -- how the call forwarding  
24 service can be termed as an unbundled network element  
25 or as a resale service.

1           And I did read the Commission's Order  
2 denying BellSouth's motion. There the Commission  
3 itself said one can construe it as an unbundled  
4 element or as a retail service.

5           And if you look at it is an unbundled  
6 network element, we feel that the tariff restriction  
7 is unreasonable to section -- Florida Statute -- the  
8 Section 1; if it's a resale service, then Section 2  
9 applies.

10           I'm not a lawyer and I thought that's what  
11 the Commission was to decide, and that's basically the  
12 heart of this matter.

13           Q     Then are you saying that application of the  
14 tariff restriction to the sale of call forwarding  
15 somehow implicates a pricing concern? (Pause)

16           A     Not in the sense of dollars and cents  
17 pricing, but in the sense pricing along with the  
18 restrictions they place on the tariff. As I  
19 understand it, how -- the LECs have to provide the  
20 ALECs unbundling the network elements in the  
21 facilities they require without restriction. And this  
22 restriction I feel is anticompetitive and  
23 discriminatory towards the ALECs as it places a real  
24 bottleneck on entry into this market through this  
25 means.

1 Q I'm not sure I understand what you mean by  
2 not in the dollars and cents sense.

3 A As I understand, the tariffs are filed when  
4 they include both the prices in terms of dollars as  
5 well as in this case restrictions that are placed on  
6 that tariff. That's what I meant. (Pause)

7 Q I guess what I need to tell you at this  
8 point is that Staff has a considerable level of  
9 concern about the relevance -- about the relevance of  
10 the pricing issue.

11 It's been Staff's understanding from the  
12 very beginning that really what was at stake -- I'm  
13 making a statement and I really shouldn't. This is  
14 really in the form of leading up to a question -- all  
15 that was at stake was whether or not BellSouth could  
16 be permitted to apply the tariff restriction as it  
17 presently stands to the sale of this service to  
18 Telenet.

19 A Right.

20 Q And Staff has trouble understanding how this  
21 implicates a concern with the pricing of that service.  
22 And I'd like to give you an opportunity at this point  
23 to help Staff understand how you associate pricing  
24 with the application of the tariff restriction.

25 MR. BONNER: Could we go off the record for

1 a second?

2 MR. PELLEGRINI: Sure.

3 (Discussion off the record.)

4 MR. PELLEGRINI: We'll break, short break.

5 (Brief recess taken.)

6 - - - - -

7 MR. PELLEGRINI: Let's go back on the

8 record. Nancy, are you with us?

9 MS. WHITE: I'm with you.

10 MR. PELLEGRINI: Okay. We're back on the

11 record.

12 Q (By Mr. Pellegrini) Mr. Kupinsky, let me  
13 ask you to make a statement concerning Telenet's  
14 position relative to the price that it is prepared to  
15 pay for BellSouth for call forwarding service.

16 A Telenet has no problem with the price they  
17 are currently paying for the call forwarding service.  
18 And that isn't the issue of this arbitration. The  
19 issue was the tariff restriction was unreasonable,  
20 anticompetitive and discriminatory.

21 Q Very well. Let's see if we can pick up the  
22 thread where we left it.

23 Okay. Staying with your rebuttal testimony,  
24 Mr. Kupinsky, and on Page 3, Lines 15 or 14, perhaps  
25 through 18, where you state that about 90% of the



1 calls that Telenet completes are actually what  
2 BellSouth classifies as local extended calls. Do you  
3 follow me?

4 A Yes.

5 Q What type of calls make up the other 10% of  
6 Telenet's calls?

7 A Those would be calls that fall out of  
8 BellSouth's local extended area, for example, Miami to  
9 West Palm Beach call, which is different than a Miami  
10 to Fort Lauderdale-Pompano call, which is in the local  
11 extended area.

12 Q All right. Would a customer, Telenet  
13 customer, pay 10 cents for any one of those calls?

14 A Yes.

15 Q The 90% and 10%?

16 A 10 cents.

17 Q It's a flat ten cents, it's not --

18 A Per minute, no. 10 cents.

19 Q 10 cents --

20 A Flat.

21 Q All right. You're familiar with BellSouth  
22 Witness Scheye's testimony in this docket?

23 A Yes.

24 Q And you state -- you say to the example  
25 given by Mr. Scheye the West Palm Beach to Miami call

1 example is somewhat misleading. Do you recall that?

2 MR. BONNER: You're referring to what page?

3 Q Let me refer you to Mr. Scheye's direct  
4 testimony, Pages 5 and 6. Do you have that testimony  
5 at hand?

6 MR. BONNER: We will shortly.

7 MR. PELLEGRINI: All right.

8 MR. BONNER: Of the direct -- it would be  
9 the rebuttal, wouldn't it?

10 MR. PELLEGRINI: I believe it's his direct  
11 testimony.

12 MR. BONNER: His direct. Excuse me.

13 MR. PELLEGRINI: It is his direct testimony.

14 MR. BONNER: Okay. We have it.

15 (Hands document to witness.)

16 Q (By Mr. Pellegrini) In your rebuttal  
17 testimony you suggested that Mr. Scheye's example was  
18 misleading. Do you recall that?

19 A Yes.

20 Q Can you explain why you believe the example  
21 is misleading?

22 A Misleading in the sense that it can be  
23 implied that all calls placed through the Telenet  
24 system would be considered long distance according to  
25 BellSouth's rates and calling areas. (Pause) That's

1 why I say it was somewhat.

2 Q In fact, that call would be a long distance  
3 call?

4 A Right. Correct. That particular example  
5 is. That's why it's somewhat misleading. Because  
6 then he could have just as easily provided an example  
7 of Miami to Fort Lauderdale.

8 Q But is there anything incorrect in his  
9 statement of the example? (Pause)

10 A Line 4, Page 6, Part 5, calls forwarded to  
11 another local -- the call is forwarded to another  
12 local business line equipped with call forwarding  
13 multipath, for example, in Boynton Beach. Before the  
14 call is forwarded, the forwarding line is called by  
15 the IVR. This implies that the IVR is using the  
16 forwarding line at the location of the IVR.

17 Q Is that a misstatement or incomplete  
18 statement?

19 A It's a misstatement because it's incomplete.  
20 Part 6 the call continues to be forwarded as above  
21 from location to location; Delray, Boca Raton,  
22 etcetera. We have no forwarding lines in Boca Raton.  
23 (Witness reads document in front of him.) Yeah, then  
24 it's processed to the called party. Sure. That's  
25 abbreviating the process but that's basically what

1 happens.

2 Q You use the term "somewhat misleading", you  
3 characterized this example as somewhat misleading?

4 A Right.

5 Q Why do you use the word "somewhat"?

6 MR. BONNER: Objection; asked and answered.  
7 I think he states it in his testimony.

8 Q Well, let me clarify. The implication is  
9 you don't regard the example as entirely misleading.

10 A Exactly. As I said before, it's somewhat  
11 misleading. It says that all Telenet calls would be  
12 long distance calls according to BellSouth as well as  
13 it almost implies that the forwarding Lines are used  
14 at all Telenet locations.

15 Q For the 90% of Telenet's calls that you  
16 refer to as local extended calls, are all of these  
17 calls provided within a local extended calling area?

18 A Those that would be considered local  
19 extended by BellSouth, yeah, it would fall within  
20 their local extended calling area.

21 Q Do you consider patching calls together  
22 across local extended calling areas to be considered  
23 local extended calls?

24 MR. BONNER: Object to the form of the  
25 question; may seek a legal opinion as to the

1 definition of local extended call.

2 Q (By Mr. Pellegrini) Like the West Palm-  
3 Miami example.

4 A Under one placed in the Telenet system  
5 that's a local call within Telenet's local calling  
6 area. If they would place it through BellSouth, then  
7 it would actually not be in, I don't think, Miami to  
8 West Palm's -- a local extended call through  
9 BellSouth, it's, I think, a long distance call through  
10 BellSouth.

11 Q Yes.

12 A But I consider when the customer is using  
13 the Telenet system that it's a local call, they are  
14 calling within Telenet's local calling area. (Pause)

15 For example, if we built our own  
16 infrastructure, pulled our copper and designate the  
17 Miami to West Palm Beach as the local calling areas  
18 they placed with Telenet, it would be a local call  
19 through Telenet. If they used BellSouth it would be a  
20 long distance call with BellSouth.

21 And as I understand it, the LEC's local  
22 calling area is not necessarily as the ALEC. ALEC has  
23 full statewide authority. I don't remember which  
24 order the Commission ordered but I remember reading  
25 that in the Commission Order that was mailed to me by

1 the Commission. You know, there's a distinction  
2 between that LEC's calling area and the ALEC local  
3 calling area.

4 Q Then what you are doing is moving a call  
5 through one local extended calling area after another?

6 A BellSouth's extended calling areas.

7 Q I'm sorry?

8 A Through BellSouth's extended calling areas.

9 Q Okay. On Page 4 of your rebuttal testimony,  
10 Lines 1 through 3, you state that not every Telenet  
11 location subscribes to BellSouth's call forwarding  
12 features. Do you see that?

13 A Yes.

14 Q The question is this: In locations that do  
15 not subscribe to BellSouth's call forwarding features,  
16 what type of service does the typical Telenet customer  
17 receive?

18 A They receive the same service. Not all the  
19 IVR stations need call forwarding lines so we don't  
20 have them there. The IVR needs a hunting group to go  
21 into them. For example, IVR spot 2 and 4 where there  
22 are forwarding lines, these are not connected to the  
23 IVRs. They are simply at the same physical location.  
24 Does that make sense?

25 Q What I understand you to be saying is that

1 all Telenet customers receive the same service?

2 A Regardless of what calling area --  
3 regardless what relationship they have to which IVR,  
4 whether it has a call forwarding line at that location  
5 or not.

6 Q But you may provision different equipment  
7 for different customers depending upon location?

8 A No.

9 Q No?

10 A No.

11 Q Explain.

12 A The same equipment is used for every call  
13 that is placed through the Telenet system. The way we  
14 have it set up is we don't require call forwarding in  
15 every single location we have. And the end user  
16 doesn't know either way if there's call forwarding at  
17 IVRs 1, 2, 3, 4, 5.

18 For example, if they are in location 1 they  
19 are going to call into IVR-1. IVR-1 will call the  
20 forwarding line and forward it to the appropriate  
21 destination. Is that cleared up?

22 Q Just a minute. There are call forwarding  
23 lines from each IVR?

24 A From? What do you mean by from? If you  
25 want I could illustrate an example using a map. It

1 might clear it up.

2 Q Yeah. Why don't you do that. There's a  
3 sheet, an easel behind you that you --

4 MR. CARVER: Why don't we have him draw on  
5 something that's 8.5 by 11 so she can attach it.  
6 Otherwise we're not going to use --

7 A I'll just illustrate a call from Miami to  
8 Pompano. Okay.

9 The customer is in Miami. I'll start down  
10 here (indicating). The customer calls the local  
11 number. The computer then again asks them for their  
12 access code and the telephone number they wish to  
13 reach. In this case we'll say they are calling  
14 Pompano. The Miami computer IVR-5 places the customer  
15 on hold; calls a forwarding line in North Dade. And  
16 it's a specific designated number that will only go to  
17 three. That North Dade forwarding line then forwards  
18 to a forwarding line which we do have in Hollywood.  
19 It's not connected to the IVR, it's just at the same  
20 physical site.

21 Q You said it will only go to 3?

22 A I'm just using this as an example. In this  
23 example the IVR will look up, "Okay, I have to go to  
24 IVR-3." It then has a designated forwarding number  
25 that routes to IVR-3, and there's a different number



1 that routes to 4, a different number that routes to 2,  
2 and a number different that routes to 1. And this is  
3 similar to -- same thing from 1. 1 has a specific  
4 number; they'll route to 2, to 3, to 4, vice versa.

5           It forwards from North Dade and forwards to  
6 Hollywood, not touching IVR-4 in Hollywood. Forwards  
7 to Fort Lauderdale, reaches IVR-3. So the Fort  
8 Lauderdale forwarding number then calls the actual  
9 hunt group of IVR-3 getting into the computer, the two  
10 IVRs talk, you know, saying this is a good call; call  
11 this telephone number. IVR-3 then calls that  
12 telephone number in Pompano.

13           Q     How long does this take?

14           A     About 10 seconds, give or take. And that is  
15 also dependent on BellSouth's switches. It's not  
16 consistent. It could be 10 seconds, it could be 8  
17 seconds, it could be 12 seconds, but in that range.

18           Q     Turn now to Page 5 of your rebuttal  
19 testimony. At lines 18 through 23, there you say, you  
20 talk about what would be required to bypass toll  
21 charges using call forwarding services, and state that  
22 such an approach would not be technically efficient  
23 and is not a feasible alternative. Do you follow me?

24           A     Yes.

25           Q     Can you explain in detail why you believe

1 that that approach would not be efficient or feasible?

2       A     Sure. In that example, Miami to West Palm  
3 Beach, if a customer wished to bypass BellSouth's toll  
4 charges utilizing forwarding lines without the  
5 computer equipment, they would have to have a  
6 forwarding line in North Dade, a forwarding line in  
7 Hollywood, a forwarding line in Fort Lauderdale,  
8 forwarding line in Pompano, a forwarding in Deerfield,  
9 a forwarding line in Delray, a forwarding line in  
10 Boynton -- I think that's six lines, about \$50 a month  
11 they'd have to pay. They would only be able to call  
12 one number at a time through that service, so every  
13 single time they wanted to call a different number  
14 they would have to reforward the number in Boynton  
15 Beach, and if they are in Miami they're going to end  
16 up paying a toll charge to reforward the number in  
17 Boynton Beach.

18               In a business sense, for a business to take  
19 care of that, there's not only one person using the  
20 phone calling one number all the time. People are  
21 constantly calling different numbers. So they would  
22 each -- if a whole office, say, with ten people in it,  
23 they would then have to get each individual forwarding  
24 line, and then every time they wanted to call the  
25 number they wanted to call they would reforward their

1 forwarding line, and it's a big pain. And it's not --  
2 wouldn't be cost effective for them.

3 Q Turn to Page 9 now of your rebuttal  
4 testimony, Lines 9 through 11, where you state that  
5 BellSouth's efforts to maintain its tariff  
6 restrictions are anticompetitive because it locks up  
7 potential customer base. It forces new competitors to  
8 compete by building their own network. Do you follow  
9 me?

10 A Yes.

11 Q Does Telenet currently have any type of  
12 resale agreement, interconnection agreement or an  
13 agreement that deals with the purchase of unbundled  
14 elements with BellSouth?

15 A No.

16 Q Are you familiar, Mr. Kupinsky, with section  
17 252(d) of the Federal Telecommunications Act of 1996?

18 A I don't know. I'd have to look at it. I  
19 don't know it offhand.

20 Q Let me hand you a copy. (Hands document to  
21 witness.)

22 A Dot D?

23 Q Subpart D, yes. (Pause)

24 A Now I am. (Witness reads document.)

25 I just read it.

1           Q     Well, to the extent that you can answer this  
2 question, the Act provides that interconnection and  
3 network element charges to be based on costs be  
4 nondiscriminatory and contain an allowance for profit,  
5 reasonable profit.

6                     Based on this, would you believe that it was  
7 the FCC's -- that it's the Act's intention that  
8 competitors build their own networks?

9           MR. BONNER:  Objection.  That really calls  
10 for an opinion that this witness is not qualified to  
11 give, which is one that I think many lawyers would not  
12 be qualified to give, and that's to determine the  
13 intent of Congress in passing this one particular  
14 provision of the Telecommunications Act of 1996.

15                     So I would object, that that really calls  
16 for a legal opinion that it's not fair to ask  
17 Mr. Kupinsky to give.

18           Q     (By Mr. Pellegrini) Let me rephrase the  
19 question to make it perhaps less burdensome.

20                     Would your interpretation of this provision  
21 be that it was Congress's intent to encourage  
22 businesses such as Telenet into the competitive  
23 environment through resale and interconnection as  
24 opposed to requiring facilities-based competition?

25           MR. BONNER:  Again, I make the same

1 objection. I don't believe Mr. Kupinsky is qualified  
2 as a nonlawyer to interpret what Congress's intent was  
3 in passing the Telecommunications Act of 1996.

4 Q (By Mr. Pellegrini) Do you understand the  
5 distinction I'm trying to draw?

6 A Yes. You're asking me if Congress wanted  
7 competition to be increased by either, a) coming to  
8 unbundling agreements, interconnection agreements, or  
9 b) building your own network. That's what you're  
10 asking.

11 Q Yes.

12 MR. BONNER: I'll repeat my objection but  
13 you can answer, if you can, to the best of your  
14 knowledge. If you have any knowledge.

15 WITNESS KUPINSKY: To the best of my  
16 knowledge their intention was to encourage  
17 interconnection agreements and unbundling.

18 And when you asked me if we had an  
19 agreement, a resale agreement, an unbundling agreement  
20 with BellSouth I may have answered "no" a little too  
21 quickly.

22 We have an agreement in the sense I ordered  
23 call forwarding lines; they provided them. I paid for  
24 them; they cashed the check. I may not have, when I  
25 ordered the lines, say I'm requesting that you

1 unbundle call forwarding. So in that sense it was an  
2 unbundling when we did have an agreement that they  
3 would provide me the lines. And those Lines are a  
4 integral -- they are a key part of our network.

5 Q Fair enough. Turn to Page 10, Lines 7  
6 through 10. There you state that "Telenet is not an  
7 access provider for IXCs or ALECs. BellSouth is  
8 providing services in all instances. Telenet is  
9 merely enhancing the local exchange services already  
10 provided by BellSouth for Florida consumers."  
11 Correct?

12 A Correct.

13 Q Explain what you mean by Telenet is merely  
14 enhancing the local exchange services already provided  
15 by BellSouth?

16 A What I meant by enhancing is they're getting  
17 local exchange service at a much, much cheaper price.

18 Q You also state that there is no IXC  
19 involved. There is no question of terminating access  
20 charges being bypassed, correct?

21 A Yes.

22 Q So is it your understanding that only IXCs  
23 must pay terminating access charges?

24 A Only IXCs, yes.

25 Q Your answer is yes?

1           A     When they are terminating a call, that would  
2 be considered an interexchange connection.

3           Q     Mr. Kupinsky, Florida Statute  
4 364.16(3)(a) -- we have been there before.

5           A     Right.

6           Q     Says that no local exchange  
7 telecommunications company or alternative local  
8 exchange telecommunications company shall knowingly  
9 deliver traffic, correct?

10          A     Correct.

11          Q     Telenet is certificated as an ALEC?

12          A     Correct.

13          A     Hasn't this --

14               MR. BONNER: There's no question pending.

15               WITNESS KUPINSKY: Okay. I'm sorry.

16               MR. BONNER: Just respond to the question.

17          Q     (By Mr. Pellegrini) You responded to my  
18 question a moment ago which was is it your  
19 understanding that only IXCs must pay terminating  
20 access charges and your answer I believe was yes.

21               In light of what the statute says, are you  
22 prepared to change that answer?

23          A     Yes. I think I'll answered IXCs that are  
24 terminating calls, which would constitute an  
25 interconnection. If an ALEC were terminating a call

1 in that same manner, yes, they would, according to  
2 this statute, be subject to the same terminating  
3 access fees.

4 Q And if I understand you correctly, you do  
5 not believe that Telenet terminates calls in a manner  
6 that would subject Telenet to the provisions of this  
7 statute; is that correct?

8 A Correct.

9 Q At the risk of asking you to repeat an  
10 answer, because it is a key point, tell me why.

11 A Why Telenet isn't? Because all calls begin  
12 and end within the BellSouth South Florida LATA. As I  
13 understand it, interconnection fees to be appropriate  
14 if we were crossing over the LATA.

15 For example, if I was in the LATA adjacent  
16 to here in Tallahassee and I was terminating a call in  
17 South Florida, then I would say I would be subject  
18 to --

19 Q What is a bit troubling, Mr. Kupinsky, is  
20 this: You repeatedly have made a distinction between  
21 interLATA calls and intraLATA calls, and the statute  
22 doesn't distinguish intraLATA calls from interLATA  
23 calls. So it's confusing to us why, on what grounds,  
24 and why you make that distinction?

25 A I'm not a lawyer and don't know the legal



1 technicalities. That was my understanding of it.

2 MR. BONNER: That calls for a legal opinion.

3 I think he's answered to the best of his ability.

4 Q (By Mr. Pellegrini) Okay. I think we have  
5 just a little bit more.

6 Do you have Mr. Scheye's rebuttal testimony  
7 at hand?

8 A Do I, Doug?

9 Q I'd like you to turn to Page 6.

10 A I have it.

11 Q Very well. Lines 13 through 15, Mr. Scheye  
12 states the "In other words, BellSouth's initial  
13 involvement was establishing accounts for  
14 Mr. Kupinsky, not Telenet, as a business customer and  
15 not as an alternative local exchange company." Do you  
16 see that?

17 A Yes.

18 Q Is that a true statement in your opinion?  
19 Or rather in your understanding?

20 A Initially yes. Initial orders placed by  
21 Telenet were -- when I first ordered the lines,  
22 Telenet wasn't formed as a corporation. We hadn't  
23 received our ALEC certification yet.

24 Q Oh. What type of services were being  
25 provided in that initial period of time?

1           A     None.  We were simply testing the system.

2           Q     Simply testing the system?

3           A     We had checked with the Commission if we  
4 would be able to provide service while our application  
5 was in the process and they informed us no, we could  
6 not.  So we waited until we were certified.

7           Q     I think a final question on Page 7 of  
8 Mr. Scheye's rebuttal testimony, that's 7 through 10,  
9 yep.

10          A     Yep.

11          Q     Is it true that Telenet declined to contact  
12 the appropriate BellSouth representatives to initiate  
13 a negotiation of an interconnection or resale  
14 agreement?

15          A     That's not at all true.

16          Q     What is the problem with that statement?

17          A     We did attempt to contact and come to an  
18 agreement.

19          Q     Did you specifically request to open  
20 negotiations for an interconnection or a resale  
21 agreement?

22          A     It never got that far.  It became quite  
23 clear that BellSouth wasn't going to budge on the  
24 tariff and they were going to terminate our service  
25 and they issued us a cease and dissit letter which

1 forced us to come to where we are today. Filed a  
2 petition for arbitration, at the same time we filed  
3 the injunction before the Circuit Court for temporary  
4 relief so they couldn't turn off our Lines.

5 Q Do you think BellSouth would have terminated  
6 service had you agreed to open negotiations for a  
7 resale or interconnection agreement?

8 A Yes. They made that pretty clear. I mean  
9 we have a paper, kind of paper trail, where they did  
10 request that we contact someone with -- in terms of a  
11 resale agreement, they asked for our ALEC  
12 certification. We provided that for them. And the  
13 negotiations were then between the attorneys. And  
14 then it became quite clear that they weren't going to  
15 move on the tariff restriction, and they were going to  
16 turn off our Lines. We would have loved to have come  
17 to an agreement with them.

18 Q Are you saying that you were prepared at  
19 that point to negotiate a resale agreement under the  
20 provisions of the Federal Act or Florida Statutes?

21 A Yes.

22 MR. PELLEGRINI: We have no further  
23 questions of Mr. Kupinsky. Thank you very much.  
24 Mr. Carver.

25 MR. CARVER: I have a few. Can we take a

1 brief break?

2 (Brief recess taken.)

3 - - - - -

4 EXAMINATION

5 BY MR. CARVER:

6 Q Mr. Kupinsky, my name is Phil Carver and I  
7 represent BellSouth.

8 Most of the questions I have are follow-up.  
9 Mr. Pellegrini has covered most of the areas that I  
10 was going to inquire about. So as I go through the  
11 examination, at times there are going to be some long  
12 pauses and that's because I'm editing questions that I  
13 was going to ask that have been covered. Hopefully  
14 that will shorten things up in general.

15 Let me ask you to go back to Chapter 364 for  
16 just a moment, specifically, 364.16(3)(a). And you  
17 were asked some questions regarding that?

18 A Yes.

19 Q Let me ask you generally, who do you believe  
20 is obligated to pay access charges?

21 A Those that are entered into interconnection  
22 agreements, and as I understood it, those that  
23 terminate interLATA calls.

24 Q Okay. So are you under the impression that  
25 there are no access charges for intraLATA toll

1 traffic?

2 A As I understood it, yes.

3 Q So then, for example, if AT&T were the  
4 provider of the intraLATA toll service, are you under  
5 the impression that they don't pay access charges to  
6 BellSouth for that traffic?

7 A As I understand, they have an  
8 interconnection agreement with BellSouth, correct?

9 Q Assume -- no, assuming they are functioning  
10 as an IXC, that BellSouth is a local exchange company  
11 and that they are providing intraLATA toll traffic,  
12 just to complete it on a presubscribed basis.

13 So in other words, when someone places a  
14 call, it's carried through AT&T. Are you under the  
15 impression that they are not paying access charges for  
16 that traffic?

17 MR. BONNER: Answer if you know.

18 A I don't know.

19 Q Okay. Previously, if I understood you  
20 correctly, you were making a distinction between  
21 intraLATA toll traffic and interLATA and using that as  
22 a basis for whether or not access charges would be  
23 applicable? Is that correct?

24 A That in conjunction with there being an  
25 interexchange agreement.

1 Q You mean interconnection agreement?

2 A Exactly. I'm sorry.

3 Q The distinction between interLATA and  
4 intraLATA, what is your basis for thinking that's the  
5 case?

6 A Again, I'm not a lawyer. I understood that  
7 it was when you crossed over the LATA line that you  
8 would have to pay the terminating access. I thought  
9 that if the call had originated and terminated in the  
10 same LATA, that these charges didn't apply.

11 Q Well, if you're wrong about that, if access  
12 charges apply for intraLATA traffic, then in your  
13 opinion would Telenet be obligated to BellSouth to pay  
14 access charges?

15 MR. BONNER: Objection, again. That calls  
16 for a legal opinion. That is based on the premise  
17 that he's already indicated he doesn't know exists, so  
18 I would object to that question.

19 MR. CARVER: Well, let me say something just  
20 across the board. Both his direct and his rebuttal  
21 testimony are filled with legal opinions. He  
22 interprets Chapter 364; he interprets the Federal  
23 Telecommunications Act. I don't think he can offer  
24 legal opinions and prefiled testimony and then not  
25 answer them on cross. Now, I understand he may not

1 know the answer, but he's capable of saying "I don't  
2 know."

3 MR. BONNER: Okay. I'm not saying he cannot  
4 answer the question, if he knows the answer.

5 MR. CARVER: Right. And all I'm saying --

6 MR. BONNER: However, I want to preserve my  
7 objection.

8 MR. CARVER: -- I understand it's a legal  
9 issue. Much of what he has filed testimony on regards  
10 legal issues, so. Do you want to hear the question  
11 again?

12 WITNESS KUPINSKY: Yes, please.

13 Q (By Mr. Carver) As I understood your  
14 answer, you said you were under the impression that  
15 there were no access charges associated with intraLATA  
16 traffic that would be carried by someone other than  
17 the local exchange company, in this case BellSouth,  
18 correct?

19 A Correct.

20 Q If you're wrong and if there are routinely  
21 access charges that, for example, are charged to  
22 interexchange carriers, if that's the case, then do  
23 you believe that Telenet would be obligated to pay  
24 access charges for the same service that you're  
25 providing?

1           MR. BONNER: Same objection. Calls for a  
2 legal opinion. You may answer if you know.

3           A     My understanding, I think I answered the  
4 Commission's question before that, there's a  
5 distinction between the LEC's local calling area and  
6 the ALEC's local calling area, and with what we're  
7 doing I didn't think it applied to us paying  
8 interaccess fees -- interconnection fees.

9           Q     Okay. We're talking about access charges?

10          A     Access charges.

11          Q     So you're saying that you don't think you're  
12 obligated to pay access charges because you configure  
13 your local calling area to cross exchange boundaries?

14          A     They cross BellSouth exchange boundaries.

15          Q     Right.

16          A     But you have testified from Telenet's  
17 perspective?

18          A     That's Telenet's local calling area.

19          Q     Right. My question is, is it your belief  
20 that if you configure your service offerings so that a  
21 particular call is a local call, then you don't have  
22 to pay access charges to BellSouth even if the traffic  
23 crosses an exchange boundary? Is that your belief?

24          A     In the sense I said before, if we were to --  
25 let's say we built our own -- pulled our own copper,



1 our own infrastructure, didn't have BellSouth at all,  
2 those calls were going across BellSouth's exchanges,  
3 would we have to pay interconnection fees to  
4 BellSouth? I would say no. That's basically, we use  
5 your call forwarding service as part of our network.  
6 That's why I don't think it applies to us.

7 And, again, I'm not a lawyer. That's just  
8 my interpretation.

9 Q So is your answer to my question yes?

10 A Yes, Telenet shouldn't pay BellSouth  
11 interconnection fees.

12 Q Under the statute?

13 A To the best of my knowledge, yes.

14 Q Even though it crosses BellSouth's exchange  
15 boundaries.

16 MR. BONNER: Objection. Asked and answered.  
17 You can answer it again.

18 WITNESS KUPINSKY: Yes.

19 Q (By Mr. Carver) Okay. Let's go back to  
20 MAK-1. I have a couple of questions about the  
21 configuration here.

22 Let's say we have a customer in what is  
23 identified in this diagram in the Homestead calling  
24 area.

25 A Okay.

1 Q Would that customer be able to call any  
2 customer in any other calling area identified here by  
3 using Telenet's services?

4 A Except Belle Glade.

5 Q And Belle Glade is at the very top?

6 A Top left.

7 Q Now, is that because of the special assembly  
8 T-1 problem?

9 A No.

10 Q So that's something that would not be able  
11 to call by design?

12 A Correct.

13 Q Why is that?

14 A The Belle Glade calling area requires us to  
15 put another IVR in to access that area, and we didn't  
16 think it would be feasible, economically feasible to  
17 provide calls to and from that area.

18 Q Can customers, your customers in Belle  
19 Glade, call to the other calling areas identified  
20 here?

21 A No.

22 Q So really then calls can't go into or out  
23 Belle Glade?

24 A They could but they would end up incurring  
25 BellSouth charges. For example, a Belle Glade call to

1 West Palm Beach is not a local call.

2 Q Okay. Would it be fair to say that some of  
3 the calls that your customers would make from one  
4 calling area to another would be an ECS call if  
5 BellSouth carried it? Is that accurate?

6 A Yes.

7 Q In other instances there would be calls here  
8 from one calling area to another that would be toll  
9 calls if BellSouth carried them?

10 A Correct.

11 Q You understand, don't you, that there are  
12 other carriers in the interLATA market other than  
13 BellSouth and Telenet?

14 A Oh, yes.

15 Q AT&T, for example, MCI, Sprint, LDDS  
16 Worldcom. If any of these carriers carried the  
17 traffic in between these exchanges, then it would be  
18 toll calls, correct?

19 A They paid toll charges to -- for example, an  
20 MCI customer would pay a toll charge to MCI.

21 Q To MCI. And AT&T's customer would pay a  
22 toll charge to AT&T.

23 A Because of the way they have their tariff  
24 set up in their calling areas, yes.

25 Q Okay. But you don't know whether these same

1 carriers pay access charges to BellSouth? Was that  
2 your testimony?

3 A I don't know what agreements AT&T, MCI,  
4 BellSouth have come to.

5 Q And you don't know whether they have any  
6 sort of obligation to pay those charges absent an  
7 interconnection agreement?

8 A No.

9 MS. BROWN: Can we break for a minute?

10 (Discussion off the record.)

11 MR. PELLEGRINI: So let's break for ten  
12 minutes, back at 12:30.

13 (Brief recess.)

14 - - - - -

15 BY MR. CARVER:

16 Q Back on the record.

17 Previously I believe you said that Telenet  
18 considered applying for IXC certification; is that  
19 correct?

20 A Yes, in the sense that we wanted to make  
21 sure we had the correct license for what we were  
22 doing.

23 Q Did you reach the conclusion that you were  
24 not functioning as an IXC; was that your testimony?

25 A It was the opinion of the Commission and my

1 attorney that we would fall under the ALEC category,  
2 not the IXC category.

3 Q You didn't get an order from the Commission  
4 to that effect?

5 A No. This was all verbal discussions when we  
6 were in the process of applying.

7 Q Do you remember who you spoke with?

8 A It wasn't me personally. Off the top of my  
9 head it was a Mr. Williams. I could research and find  
10 out exactly who it was that my attorney was speaking  
11 with.

12 Q Do you, yourself, have a opinion as to  
13 whether or not what you're doing constitutes  
14 interexchange service?

15 MR. BONNER: Objection. Asked and answered.  
16 Answer it again.

17 A Like I said before I don't think what we're  
18 doing constitutes interexchange.

19 Q So you don't believe that you're functioning  
20 as an IXC?

21 A No.

22 Q There was some questions earlier about a  
23 portion of your prefiled testimony in which you said  
24 that call forwarding is not used at every location, do  
25 you recall that?

1           A     Yes.

2           Q     Is call forwarding used with every call that  
3 Telenet carries on behalf of its customers?

4           A     Yes.

5           Q     So in other words, you might not have call  
6 forwarding at every place, but call forwarding would  
7 be used every time?

8           A     Yes. It's a key element.

9           Q     In your opinion is what Telenet is doing,  
10 does that constitute resale?

11          A     Resale of call forwarding?

12          Q     Well, start with that.

13          A     We're not reselling call forwarding in the  
14 sense that our customers use call forwarding. We use  
15 call forwarding as a way of providing service to our  
16 customers.

17          Q     Do you think you're reselling anything other  
18 than call forwarding?

19          A     Again, I think it's a little gray issue of  
20 how you term "reselling." I think we consider it a  
21 reseller in the sense that we've purchased a large  
22 amount of Lines from BellSouth to put our network  
23 together in order to provide phone calls for our  
24 customers. So in that sense we can be considered  
25 reselling a phone call.

1 Q Other than Lines, what else do you purchase  
2 from BellSouth?

3 A Telephone Lines and the features associated  
4 with them, the user transfer, prestige services, call  
5 forwarding.

6 Q And for each of those you pay the tariffed  
7 rate?

8 A Correct.

9 Q We've covered this before but just to  
10 clarify, in the context of this proceeding you're not  
11 asking the Commission to set some rate for any of  
12 these things other than what you're currently paying?

13 A Correct.

14 Q Let's turn to Page 5 of your direct  
15 testimony.

16 A Okay.

17 Q Lines 15 through 18, and I'll just  
18 paraphrase this rather than reading the whole thing  
19 since it goes on for several lines.

20 You state that the restriction of the usage  
21 of call forwarding is, quote, "clearly aimed at  
22 resellers." What is the basis for that contention?

23 A What I'm trying to say here is that  
24 BellSouth is aware of individual customers that do use  
25 call forwarding to avoid the toll charges. They don't

1 wish to pursue them as they don't -- take from their  
2 revenues. In the other case there it's aimed that  
3 they are coming after the reseller because they use it  
4 in a much larger sense and it will definitely cut into  
5 their revenues.

6 Q So -- I'm sorry, go ahead.

7 A In that sense that's what I'm saying. It's  
8 disregarded on an individual basis but not on a resale  
9 basis.

10 Q The tariff restriction on its face, isn't it  
11 equally applicable to end users?

12 A Yes.

13 Q Okay. Now, are you claiming that you know  
14 of some particular circumstances in which BellSouth  
15 has allowed end users to systematically use call  
16 forwarding to avoid toll charges?

17 A I couldn't state specific instances of  
18 customers, but -- this is hearsay -- but I have been  
19 told in any attorney's discussion with BellSouth  
20 attorney's discussions, BellSouth openly admitted they  
21 were aware that this was going on and that the  
22 policing -- it's a matter of policing and it's not  
23 really cost effective for them to track down every  
24 individual consumer that's using forwarding lines to  
25 bypass toll charges.



1 Q So you personally have no knowledge of any  
2 instance in which BellSouth has allowed its customers  
3 to use call forwarding to systematically avoid toll  
4 charges; is that correct?

5 A Correct.

6 Q I believe you said previously that Telenet  
7 currently has was it 239 customers?

8 A Roughly.

9 Q When did Telenet first begin to serve  
10 customers?

11 A In May of '95, after we were -- received our  
12 certification.

13 Q May of '95 or '96?

14 A '96, I'm sorry. '96.

15 Q Now, the Lines that were utilized by Telenet  
16 originally were ordered in other names?

17 A Correct.

18 Q Some were ordered in your name?

19 A My name and my father's name.

20 Q Were some ordered also in the name of  
21 another corporation?

22 A I think one of our locations had one put in  
23 Park Granada Investments.

24 Q No others that you can recall?

25 A No.

1 Q How about Granada Investments?

2 A It's Park Granada Investments.

3 Q Does that company provide telecommunications  
4 services?

5 A No.

6 Q Why were they ordered in the names of  
7 entities other than Telenet?

8 A At that point Telenet wasn't formed as a  
9 corporation. And it was a matter of money and  
10 bookkeeping. It had an open credit line that allowed  
11 us to get the lines without putting up a deposit, and  
12 also -- we were able to use that company's credit  
13 line. We were a new company with limited resources.  
14 We had to -- it was really a matter of bookkeeping.

15 Q And then after -- I'm sorry. I didn't mean  
16 to cut you off.

17 A No, that's okay.

18 Q After you certificated you then transferred  
19 those accounts to Telenet?

20 A Not immediately.

21 Q When were they transferred?

22 A We signed the transfer agreements September  
23 16th -- or not, 17th. It was the day after our  
24 meeting with Doc Moore.

25 Q During this time frame did you have any

1 discussions with BellSouth about what you were doing  
2 with these Lines?

3 A Yes.

4 Q With whom did you have the discussion?

5 A Many BellSouth representatives. I have some  
6 of their names are in exhibit -- chronology exhibit --  
7 MAK-9. And then as the complexity of our orders  
8 increased we were switched from --

9 Q I'm sorry. Where were you reading from?

10 A For example, Ms. O'Hare, Maggi Druery,  
11 Julie Martin.

12 MR. BONNER: What dates?

13 A 11-13-95, 11-14-95, 11-6-95, 7-16-96,  
14 7-18-96, 7-23-96, 7-24-96, 7-24-96, 7-31-96, 8-9-96.  
15 And then after that, in late August, early September,  
16 we were transferred over. Our account executives  
17 became Rob Watson and Rob Williams. We told them  
18 what we were doing. And then we got transferred to  
19 Doc Moore and we told him what we were doing.

20 Q Who was the first person at BellSouth you  
21 told what you were doing?

22 A I'll refer to exhibit -- it was in November  
23 of '95, Ruth Margolis. Exhibit MAK-2.

24 Q And on the document you're reading from it  
25 indicates 11-1-95?

1           A     November 3, '95.

2           Q     November 3, '95. Order lines for Pembroke  
3 Pines. Ruth Margolis.

4           A     Right. I'm referring to MAK -- Exhibit 2 was  
5 a written confirmation of that conversation.

6           Q     Now, who was involved in that conversation  
7 on behalf of Telenet? Did you do that?

8           A     No. I was involved in the first  
9 conversation, November 1. Then I had my telephone  
10 consultant clarify all matters on the same date, and  
11 then he requested in writing a confirmation.

12          Q     So who had the discussion with Ms. Margolis  
13 in which you stated what you were going to do with  
14 these Lines?

15          A     I explained to her briefly what we were  
16 doing, then I turned her over to Mr. Hudson.

17          Q     What did you tell her?

18          A     I asked her for the Lines that we needed.  
19 At that point I just ordered Lines, and my Pembroke  
20 Pines office, and in -- I think, just my Pembroke  
21 Pines office.

22          Q     Did you tell her you were an ALEC or that  
23 you were going to be an ALEC?

24          A     No.

25          Q     Did you tell her you were going to be

1 utilizing these for resale?

2 A No.

3 Q Did you tell her that you were going to be  
4 using them in a way that would allow customers to make  
5 charges that would be toll calls if they made them  
6 through BellSouth; that they wouldn't be charged the  
7 toll rate for them?

8 A I did not tell her that.

9 Q Going through this chronology, did you  
10 convey that information to anyone at BellSouth at any  
11 time?

12 A I conveyed information that we were going to  
13 be using forwarding lines to do multiple forwards.

14 Q And that's all you told her?

15 A Yes.

16 Q Okay. Go back to my question, the  
17 information that I asked you, for example, that you  
18 were going to be using this to provide service to  
19 customers that would be toll calls. I'm going to use  
20 the term "toll avoidance" although I understand you  
21 may not want to accept that term.

22 Did you at any time tell anyone at BellSouth  
23 that those lines or call forwarding features are going  
24 to be used for that purpose?

25 A Yes.

1 Q When?

2 A August of '96.

3 Q Then you referred to Mr. Moore about that  
4 time?

5 A Williams, Watson & Moore. Williams, Watson  
6 & Moore.

7 Q So when you first told BellSouth what you  
8 were going to do and it became clear at that point,  
9 they referred you to Mr. Moore, Williams and Watson?

10 A We referred to Williams and Watson actually  
11 when we realized that multipack call forwarding had  
12 not been provided.

13 Then they weren't able to clear up the issue  
14 so we were transferred over to Doc Moore. Then we had  
15 a personal meeting with him.

16 Q That in the August-September --

17 A The meeting was September 16th, I believe.

18 Q Now, at this point you hadn't had any sort  
19 of negotiations concerning resale or interconnection  
20 or any other service agreement outside the tariff, had  
21 you?

22 A No.

23 Q When was it first suggested to you by a  
24 BellSouth representative that you would need to  
25 negotiate resale?

1           A     By letter, Exhibit MAK-4, September 19th,  
2 1996.

3           Q     You keep referring to exhibits. Are these  
4 exhibits that you created or --

5           A     This is a letter from Doc Moore to me.

6           Q     Okay. Now, I believe you testified in  
7 response to some questions to Mr. Pellegrini that you  
8 did not pursue resale negotiations because you did not  
9 believe it would be fruitful; is that accurate?

10          A     No. We didn't pursue those agreements  
11 because we received the Lines we needed. We were  
12 satisfied with that.

13          Q     So you basically decided that you just  
14 didn't even negotiate resell because you were buying  
15 from the tariff what you needed?

16          A     We were satisfied to pay the price BellSouth  
17 was offering it at. We paid it, they provided the  
18 service.

19          Q     Is there any other reason why you elected  
20 not to pursue a resale agreement?

21          A     No.

22          Q     On Page 15 of your direct testimony, Lines  
23 7 through 10, you refer to Telenet as a successful  
24 rapidly growing provider of telecommunications  
25 services.

1           Other than the customers you've told us  
2 about already, does Telenet have any other customers?

3           A     No. We have our existing customers, that's  
4 it. We have customers that want the services as soon  
5 as the special assemblies are complete and we're good  
6 to Palm Beach.

7           Q     So right now your customer base is 239 and  
8 you have a hundred more prospective customers?

9           A     We haven't advertised at all or pursued  
10 marketing obviously until this issue is resolved.

11          Q     And there are no other operations in the  
12 country?

13          A     Under Telenet, Inc., no.

14          Q     On Page 17 of your testimony you make  
15 reference to a case in Ohio. Do you have any personal  
16 knowledge of that case or any involvement in it?

17          A     I have no personal involvement. I have just  
18 what I've been able to pull up, Ohio Public Utilities  
19 Commission Web Site and discussions with my attorney  
20 as they investigated this matter.

21          Q     Okay. To your knowledge, are there any  
22 other providers, either ALECs or IXC's in Florida, that  
23 are using call forwarding to provide service in the  
24 same manner as Telenet?

25          A     I knew of companies that were doing it -- to



1 my knowledge they weren't certified and they are no  
2 longer in business.

3 Q Currently Telenet is the only one that  
4 you're aware of?

5 A That I'm aware of.

6 Q Let's turn to your rebuttal testimony. On  
7 Lines 1 through 3 you say?

8 A What page?

9 Q I'm sorry, Page 3. Lines 1 through 3 you  
10 say that BellSouth's tariff restrictions are contrary  
11 to more than 20 years of federal communication policy  
12 and economic logic. I think you were previously asked  
13 about the remainder of that sentence, but I want to  
14 ask you about the first part. Can you tell me what  
15 you were referring to there?

16 A I'm referring to the tariff restriction in  
17 the sense that it stifles competition, not allowing  
18 for arbitrage, which would facilitate competition and  
19 decreases in price.

20 Q And the reference there to 20 years of  
21 federal communication policy and economic logic, it's  
22 nothing more than what you just said?

23 A In a nutshell.

24 Q Let's go back to the exhibits for a moment.  
25 I understand that these are going to be offered into

1 evidence so I just want to ask some questions about  
2 them so we can identify what they are?

3 A Sure.

4 Q MAK-1, who created this diagram?

5 A This was drawn up by one of our consultants.

6 Q And what is that person's name?

7 A Jason Donahue.

8 Q The hand-lettering on the right-hand side of  
9 the diagram, is that his?

10 A No.

11 Q Who did that?

12 A I believe on the side of the diagram is  
13 actually my handwriting; on the top of the diagram  
14 it's Ruth Jordan's.

15 Q Do you know this to be an accurate  
16 representation of what it purports to represent?

17 A I did find one thing missing in the Miami  
18 calling area. In addition to the 800 there's also a  
19 modem line there. There's a modem line going into all  
20 of the IVRs.

21 Q Does it accurately reflect the scope of the  
22 area in which Telenet provides services?

23 A Yes.

24 Q Anything else about it that you disagree  
25 with portions of the diagram created on by someone

1 else?

2 A Mine says calling area; excpet, thought,  
3 they said -- Belle Glade is not part of it.

4 Q MAK-2 purports to be a letter from, I guess,  
5 someone at BellSouth regarding service price  
6 quotations?

7 A That's correct.

8 Q It doesn't appear to be on BellSouth  
9 stationery. Do you know why that is?

10 A I don't know why.

11 Q And this does what, memorialize some  
12 conversation?

13 A As I said before, this memorializes the  
14 conversation on November 1.

15 Q And you were part of that conversation?

16 A I had an initial conversation. Like I said  
17 I handed it over to the technical expert.

18 Q So part of this then relates to a  
19 conversation that he had with Ms. Margolis?

20 A Correct.

21 Q And you weren't a party to that, correct?

22 A I was not on the phone with him at the time  
23 and her, no.

24 Q So then you don't really know if what is set  
25 forth here accurately affects what they discussed?

1           A     Only in the sense that what she said they  
2 discussed and told me this is what they discussed.

3           Q     She said they discussed that when?

4           A     Well, she's saying this in the letter.

5 "This is to confirm that I understand the needs of  
6 your business include pricing options for your  
7 service." And he told me that this letter was  
8 correct.

9           Q     Okay. Exhibit 3 purports to be a memorandum  
10 regarding memorialization of telephonic negotiations  
11 with BellSouth. Who created this memo?

12          A     I believe Bill Demers.

13          Q     So this is his version of what occurred?

14          A     Correct.

15          Q     Do you have personal knowledge of what is  
16 set out here in this memorandum?

17          A     I was at the meeting, yeah.

18          Q     Where it says BellSouth led us to believe we  
19 had no further problems with BellSouth and Telenet.  
20 What does that mean?

21          A     At the end of the meeting Doc told us that  
22 he would fill our orders to complete our network and  
23 cleared the problems we were having with the special  
24 assembly, and also to give us the compensation for the  
25 downtime when we didn't have the multipath call

1 forwarding and we were paying for it.

2 Q In this meeting was the tariff restriction  
3 issue discussed?

4 A No.

5 Q Okay. So this sentence then does not mean  
6 that BellSouth, or anyone affiliated with a BellSouth  
7 representative, that the tariff restriction issue was  
8 resolved or that it wasn't a problem?

9 A It doesn't say that, no.

10 Q Okay. Let's go to Exhibit 7. And it's  
11 entitled "Memorialization of Telephonic Negotiations  
12 with BellSouth." And it looks to be a letter to  
13 someone named Mr. Tony Petrilla?

14 A Correct.

15 Q This letter didn't go to BellSouth, did it?

16 A No. I don't think so.

17 Q And this is a letter you sent to your  
18 attorney; is that correct?

19 A It was sent by Bill Demers to Mr. Petrilla  
20 who works for Swidler and Berlin.

21 Q What was the purpose of sending them this?

22 A To fill them in on what was happening.

23 Q Did you send it to them to request some sort  
24 of a legal opinion about something?

25 A I didn't send it. Bill sent it to let him

1 know what was going on with the conversations with  
2 Doc Moore.

3 Q And you don't know why he sent this?

4 A I think Mr. Petrilla asked him too.

5 Q And you don't know why he asked him too?

6 A So that he could have --

7 MR. BONNER: Objection. You're starting to  
8 infringe, counsel, on the attorney-client privilege  
9 and what Mr. Petrilla may have said to our client,  
10 Telenet, so I would object at this point. I instructed  
11 the witness not to answer that.

12 The document -- it's clear from the document  
13 what the purpose of this letter was and that was to  
14 memorialize what transpired between Telenet and  
15 BellSouth.

16 MR. CARVER: Well, it's a letter that  
17 Telenet sent to the attorney. So you're going to  
18 what, to try to put this into evidence to represent  
19 the truth of the substance in there, but you're not  
20 going to let me inquire as to the circumstances?

21 MR. BONNER: I'm letting you inquire about  
22 the circumstances. I just don't want you inquiring  
23 about the attorney-client conversations.

24 MR. CARVER: Well, to the extent this was  
25 provided to him specifically to seek a legal opinion,

1 I think you probably waived attorney-client  
2 privilege --

3 MR. BONNER: I disagree with you, sir. This  
4 is a memorialization of communications between  
5 BellSouth and Telenet. That's the sole purpose of it.  
6 Merely because it's addressed to an attorney at our  
7 law firm does not mean that we've waived any  
8 attorney-client privilege as to confidential  
9 communications between Swidler & Berlin and Telenet.

10 MR. CARVER: So you're not going to let him  
11 answer what? Why he sent it? Why it was requested?  
12 What was asked of him? What are you not letting him  
13 answer?

14 MR. BONNER: Why don't you ask the question  
15 and I'll determine whether or not it's an appropriate  
16 question or not.

17 MR. CARVER: The question that I asked that  
18 I think you told him not to answer was why was he  
19 requested to send this.

20 MR. BONNER: Right. And I'm going to stand  
21 by that instruction. That may infringe upon the  
22 attorney-client privilege as to private communications  
23 between attorney and client.

24 He's already answered other questions as to  
25 the fact that it was set at the request of his

1 attorney. I don't think you need to get -- ask any  
2 further questions as to why it was requested. That  
3 goes on into the attorney work product privilege and  
4 attorney-client privilege, and I'm instructing the  
5 witness not to answer that question.

6 Q (By Mr. Carver) Were you a party to this  
7 conversation between -- again, who sent this letter?

8 A Bill Demers.

9 Q Bill Demers and Doc Moore?

10 A No.

11 Q So then you don't know then whether what is  
12 set forth here is accurate or not?

13 A I believe what Bill told me.

14 Q But you have no personal knowledge of it?

15 A I was not on the phone, no.

16 Q Is there a second page to this? The reason  
17 I ask, it starts off like a letter but there is no  
18 closing.

19 MR. BONNER: If you know.

20 A I don't know.

21 MR. CARVER: Let me just ask Mr. Bonner, and  
22 you don't have to answer this if you don't want to,  
23 but what are you trying to put this in for?

24 MR. BONNER: I'd rather not answer that at  
25 the moment.



1           **MR. CARVER:** Okay.

2           **MR. BONNER:** I will tell you that it  
3 purports to be a memorialization of critical dates and  
4 conversations that occurred between Telenet and  
5 BellSouth. And it's all the more important because of  
6 your objection to Mr. Demers' testifying at the  
7 arbitration hearing.

8           **MR. CARVER:** So you're going to put it in  
9 but you don't want to tell me why.

10           **MR. BONNER:** I've just told you why. It's  
11 an important memorialization of the significant events  
12 in the relationship between BellSouth and Telenet,  
13 including BellSouth's threat to terminate service.

14           **MR. CARVER:** So you're going to ask the  
15 Commission to accept what is written here as true?

16           **MR. BONNER:** Why don't we go on, counsel?  
17 I'm not being deposed.

18           **MR. CARVER:** I'm just asking for a position.

19           **MR. BONNER:** You can ask me off the record  
20 and I'll be happy to talk to you off the record. I'm  
21 not being deposed here.

22           **MR. CARVER:** Okay. But on the record you're  
23 not going to tell me -- first of all, it wasn't  
24 prefilled. Now you won't tell me what it's going for?

25           **MR. BONNER:** I have told you, counsel.

1 Let's move on.

2 MR. CARVER: I'm just trying to avoid having  
3 to file a motion in limine if it's not necessary.

4 MR. BONNER: Let's move on. We can discuss  
5 this attorney to attorney off the record.

6 MR. CARVER: As late-filed exhibit I want to  
7 request any other portion of this letter that is not  
8 included in the exhibit.

9 MR. BONNER: I'll check on that and get back  
10 to you certainly. I'm not aware of any at the moment,  
11 if there is anything else, I'll check into it.

12 MR. CARVER: When can I expect a response?

13 MR. BONNER: As as soon as I return to my  
14 office.

15 MR. CARVER: Okay.

16 Q (By Mr. Carver) Let's go to MAK-9. One of  
17 these pages is out of order. It looks like a memo  
18 starting off. This is part of 9? It looks like a  
19 memo that starts off "Dear Colin: Thanks -- Bill  
20 Demers."

21 A This is part of 9; a cover letter to the  
22 chronology.

23 MR. CARVER: I assume you're not going to  
24 let him answer any questions about why this was sent?

25 MR. BONNER: If he knows. He can say why it

1 was sent.

2 Q Okay. Why was it sent?

3 A Colin requested it.

4 Q Why did he request it?

5 A He wanted to get a thorough background of  
6 our involvement in orders we had placed with  
7 BellSouth.

8 Q In the document that follows, which looks to  
9 be two pages long, it's got a chronology, did you  
10 prepare that?

11 A Ruth Jordan, Bill Demers and myself.

12 MR. CARVER: I'm going to request another  
13 late-filed exhibit as a supplement to MAK-9. In each  
14 instance which it is indicated that lines have been  
15 ordered, I'd like to know the account name under which  
16 they were ordered and the representative of BellSouth  
17 with whom you spoke.

18 MR. BONNER: You should have records of the  
19 orders that were placed, shouldn't you?

20 MR. CARVER: I didn't create the document.  
21 I want to know what the contention is here.

22 MR. BONNER: If you --

23 MR. CARVER: For example, 12-15-95 order  
24 lines for Fort Lauderdale. If I don't know what  
25 account that was ordered in, it's going to be pretty

1 hard to find whether or not something was ordered.

2           **WITNESS KUPINSKY:** I could give you the  
3 phone number.

4           **MR. CARVER:** That's fine. If you can give us  
5 the number or the account. But instead of doing it  
6 all now I'd like a late-filed exhibit which identify  
7 which account these plug into. If you know the name  
8 of the person you talked to at BellSouth, I'd like  
9 that also but that's not as crucial. Okay?

10           **MR. PELLEGRINI:** I think we should identify  
11 these as late-fileds.

12           **MR. BONNER:** MAK-9.

13           **MR. CARVER:** We were on MAK-9, but to the  
14 extent I'm going to ask for late-fileds, they are  
15 going to have to be independently identified. So  
16 Late-filed 1 would be "Additional Pages to the Letter  
17 to MAK-7."

18           Late-filed 2 will be "Information to  
19 Supplement MAK-9."

20           **MR. CARVER:** Why don't we mark the chart and  
21 attach a copy of their tariff, that will match up to  
22 the questions?

23           **MR. PELLEGRINI:** Let's go off the record  
24 just a moment.

25           (Discussion over the record.)

1           **MR. PELLEGRINI:** Deposition Exhibit 1,  
2 "Price List Telenet."

3           Deposition Exhibit 2, "Illustration, Miami  
4 Pompano."

5           **MR. PELLEGRINI:** Will have Late-filed  
6 Exhibit 3 is "Additional Pages to MAK-7."

7           Late-filed 4 is "Supplemental Information to  
8 MAK-9."

9           (Deposition Exhibit 1 marked for  
10 identification.)

11           (Deposition Exhibit 2 marked for  
12 identification.)

13           (Late-Filed Deposition Exhibit 3  
14 identified.)

15           (Late-Filed Deposition Exhibit 4  
16 identified.)

17           **MR. BONNER:** These are request for discovery  
18 as I understand it. I'm not committing without a  
19 discovery request to providing this information. I'm  
20 going to look into it as a courtesy to Mr. Carver. If  
21 he wants additional material, I suggest he make a  
22 discovery request as we have to BellSouth.

23           **MR. CARVER:** So what does that mean?

24           **MR. BONNER:** It means just what I said.  
25 You've taken a full ten days to respond to our three

1 discovery requests. I assume you expect me to respond  
2 within two days for requests for late-filed exhibits.  
3 I'm not going to make that kind of an inequitable  
4 agreement with you.

5 MR. CARVER: Okay. As far as my  
6 understanding, you were going to do something as a  
7 courtesy. What are you going to do as a courtesy?

8 MR. BONNER: I'm going to look in to see if  
9 there is any additional portion of that letter that  
10 was not attached, I'm going to look into that and get  
11 back with you on it.

12 MR. CARVER: And the second request you're  
13 not going to comply with?

14 MR. BONNER: I suggest you are intent on  
15 this information, you serve a discovery request for  
16 it. That's all I'm telling you. I'm not making a  
17 commitment on the record to provide that, any of this  
18 information to you.

19 MR. CARVER: I was asking if you were  
20 refusing on the record.

21 MR. BONNER: I'm not refusing on the record.  
22 I'm not agreeing on the record.

23 MR. PELLEGRINI: I guess I could make the  
24 comment that it's typical for parties to supply  
25 late-filed exhibits.

1           **MR. BONNER:** We have not perceived that  
2 BellSouth has been cooperative with us in discovery.  
3 I'm more than willing to work out discovery as usual  
4 with opposing counsel. But all we've received from  
5 BellSouth -- we've not had our phone calls returned  
6 about requesting discovery before this deposition was  
7 to begin. We find out during the deposition that  
8 we're not going to get three of our limited discovery  
9 requests at all.

10           We're now in the position of having to file  
11 an expedited motion to compel for expedited  
12 consideration to get reasonable discovery from  
13 BellSouth that's directly relevant to our arbitration  
14 petition.

15           So I'm not really in an accommodating mood  
16 to expedite responses to BellSouth's request during  
17 this deposition, without even observing the  
18 formalities of discovery requests.

19           Now, they have had these discovery exhibits  
20 before this deposition. They complained that they  
21 were late-filed exhibits, but they've had ample time  
22 to prepare for this deposition and to review these  
23 exhibits and to request them before today. They  
24 haven't done so.

25           **MR. CARVER:** You raise an interesting point

1 on the expedited motion. I want to be clear on one  
2 thing. You can ask for whatever kind of treatment you  
3 want, but I've not agreed to that. We have seven days  
4 under the Commission's rules to respond to motions,  
5 and --

6 MR. BONNER: I understand you're not  
7 agreeing.

8 MR. CARVER: I'm not waiving that. I didn't  
9 want another representation that I agreed to provide  
10 something I haven't. I didn't agree to provide  
11 discovery early and I'm agreeing to provide a response  
12 on an expedited basis. I just want the record to be  
13 clear that you can file whatever you want but I'm not  
14 waiving anything and not agreeing to anything in  
15 regard to whatever motion to compel you want to file.

16 MR. PELLEGRINI: I think we have to keep in  
17 mind that this hearing is scheduled for next Wednesday  
18 and I think our focus should be on providing as much  
19 information as is necessary to make the record as  
20 complete as possible to enable the Commission a proper  
21 decision.

22 MR. BONNER: Any further cross examination?

23 MR. CARVER: No.

24 MR. BONNER: I have a few questions to ask  
25 the witness. I don't think I'll be as nearly as long



1 as Mr. Carver was.

2 **EXAMINATION**

3 **BY MR. BONNER:**

4 Q Could I refer you to Exhibit MAK-4,  
5 Mr. Kupinsky?

6 A Yes.

7 Q This was a letter Mr. Moore prepared  
8 following your September 16 meeting with him and  
9 Marvin Kupinsky and Bill Demers?

10 A Correct.

11 Q Did Doc Moore or BellSouth at any time  
12 during that September 16 meeting indicate the toll  
13 bypass restriction was a problem for BellSouth?

14 A No.

15 Q Did he provide a resale agreement to Telenet  
16 for execution?

17 A No.

18 Q Did he indicate to you at any time why a  
19 resale agreement was being required in September of  
20 1996 by BellSouth given the history of BellSouth  
21 placing orders for Lines and special assemblies prior  
22 to December 1996?

23 A No.

24 Q In your view, would submission or execution  
25 of a resale agreement with BellSouth have ensured the

1 provision of call forwarding services by BellSouth to  
2 Telenet?

3 A No.

4 Q And why is that?

5 A After we received this letter we did make  
6 efforts to enter into a resale agreement and we were  
7 then told that we were going to either stop using call  
8 forwarding in the manner we were doing it or they were  
9 going to cease and discontinue providing those lines for  
10 us.

11 Q Did BellSouth at any time indicate that they  
12 would waive their toll bypass restriction upon  
13 execution of a resale agreement by Telenet?

14 A No.

15 Q Now, you indicated in response to  
16 Mr. Carver's question in your conversation with  
17 Ruth Margolis in November of '95, that you told her  
18 that you would be using the phone lines to be making  
19 multiple forwarded calls; is that correct?

20 A Correct. Voice mail application.

21 Q Did she ever inquire of you as to whether or  
22 not those calls would be ECS calls or non-ECS calls?

23 A She had no questions regarding that at all.  
24 She just wanted to know what I needed.

25 Q Did she ever inquire as to whether or not

1 those calls would be bypassing BellSouth's toll  
2 charges?

3 A No.

4 Q Speaking of toll charges, has Telenet ever  
5 charged any of its customers toll charges that are  
6 being bypassed by the forwarding of these calls?

7 A No.

8 Q Has Telenet charged any of its customers  
9 long distance charges for completing any of the calls  
10 in the network that is identified as MAK-1?

11 A No.

12 Q So the sole charges that Telenet has been  
13 charging its Commissioners for providing this call  
14 forwarding service is the 10 cents per call rate that  
15 you identified earlier?

16 A Correct. That's what we charge for a call  
17 placed within our local calling area.

18 Q Now, would Telenet economically provide this  
19 service to its customers in South Florida if it had to  
20 pay access charges like IXC's pay to BellSouth to  
21 terminate long distance calls?

22 A They wouldn't be nearly as economical.

23 Q Do you know if -- do you know if Telenet  
24 could afford to conduct its business and cover its  
25 costs if it had to pay access charges for terminating

1 intraLATA call forwarded calls by paying those to  
2 BellSouth?

3 A I'd have to do a feasibility study based on  
4 what those access charges would be.

5 Q You are aware, though, that the largest  
6 single cost component of interexchange carriers is  
7 access charges that they are charged to terminate long  
8 distance calls?

9 A Yes.

10 MR. CARVER: Object to form.

11 Q That's a pretty well known fact, isn't it?

12 A Correct.

13 MR. CARVER: Object to form.

14 A Yes.

15 Q Does Telenet have any long distance lines in  
16 its network?

17 A No.

18 Q Does Telenet have any kind of a fiber  
19 network on which it could carry long distance traffic?

20 A No.

21 Q Does Telenet charge any of its customers a  
22 per minute usage charge, whether for long distance or  
23 for long distance service?

24 A No. They are charged 10 cents per call  
25 regardless of time.

1 Q Thank you.

2 MR. BONNER: I have no further questions.

3 MR. PELLEGRINI: If Mr. Bonner has no  
4 objection, I have just one follow-up question for  
5 Mr. Kupinsky.

6 MR. CARVER: When you finish, I have a  
7 couple because I think he answered some of your  
8 questions in ways that conflict with what he said  
9 earlier, so I want to clear up some confusion.

10 CONTINUED EXAMINATION

11 BY MR. PELLEGRINI:

12 Q I want to ask you once again, Mr. Kupinsky,  
13 what is Telenet's local calling area?

14 A What you see there on the map excluding  
15 Belle Glade.

16 Q From Homestead to Jupiter?

17 A Correct.

18 Q Did you designate that as your local calling  
19 area in your application for an ALEC certificate?

20 A When he applied for the ALEC certificate our  
21 calling area only consisted of Homestead, Perrine,  
22 Miami, North Dade, Hollywood and Fort Lauderdale.

23 MR. PELLEGRINI: That's all.

24 CONTINUED EXAMINATION

25 BY MR. CARVER:

1           Q     To go back to MAK-4 for a second, and the  
2 letter of September 19th. It states that you were  
3 advised to send an informal memo to Mr. Shaffer  
4 expressing your interest in negotiating a resale  
5 agreement. Was that memo ever sent?

6           A     To my knowledge I never sent the memo. I  
7 forwarded this fax over to my attorneys as a -- at  
8 that point I understood -- all discussions about this  
9 was supposed to be between my counsel and BellSouth's.  
10 They had informed me that they had spoken with  
11 BellSouth's attorneys concerning this issue, and there  
12 wasn't going to be a resolution concerning the tariff  
13 restriction. And that they were going to cease and  
14 dissit our call forwarding lines.

15          Q     So there were never any resale negotiations  
16 per se?

17          A     There were resale negotiations. They didn't  
18 go anywhere.

19          Q     With Mr. Shaffer or with someone that you  
20 contacted about resale?

21          A     I would have to check with my attorney to  
22 put specific names of who they spoke with concerning  
23 this matter.

24          Q     So that was done through counsel?

25          A     Correct.

1           Q     Personally you weren't involved in any  
2 resale negotiations?

3           A     No.

4           MR. CARVER:   That's all I've got.

5           MR. BONNER:   I have one additional question,  
6 unless you have something, Mr. Pellegrini.

7           MR. PELLEGRINI:  I'm not certain.  Just a  
8 moment.

9                               CONTINUED EXAMINATION

10          BY MR. BONNER:

11           Q     Mr. Kupinsky, in addition to the  
12 conversation you mention with Ruth Margolis of  
13 BellSouth in November of 1995, and the October 1996,  
14 meeting with Doc Moore --

15           A     September.

16           Q     Or September 16, 1996, meeting with Doc  
17 Moore, excuse me, are you aware of any other time when  
18 you or Telenet or any persons on behalf of Telenet  
19 ordered Lines as indicated in Exhibit MAK-9, you or  
20 anyone on behalf of Telenet was informed by BellSouth  
21 you might be violating toll bypass restriction in  
22 BellSouth's tariff by providing services?

23           A     No.  When we were having trouble with the  
24 multipath call forwarding, they said also some of the  
25 1-A stations could not do what they called a double

1 forward or multiple forward. Again, I told them this  
2 was a key element of what we needed, but they did  
3 not -- no discussion of the avoiding toll charges or  
4 anything like that was discussed.

5 Q And you -- when was the first time that  
6 BellSouth, or anyone at BellSouth, advised you of the  
7 toll bypass restriction in their tariff that was the  
8 basis for their cease and desist letter to Telenet in  
9 November 1996?

10 A After my meeting with Doc Moore on September  
11 16th, September 17th, he had called and told us.

12 Q Okay. And that was after you had placed all  
13 of the orders with BellSouth for services and paid for  
14 those services that are reflected in MAK-9?

15 A Correct.

16 MR. BONNER: No further questions.

17 MR. PELLEGRINI: That concludes the  
18 deposition.

19 (Deposition concluded at 1:30 p.m.)

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AFFIDAVIT OF DEPONENT

This is to certify that I, MITCHELL A. KUPINSKY, have read the foregoing transcription of my testimony, Page 1 through 114, given on February 6, 1997, 1995, in Docket No. 961346-TP, and find the same to be true and correct, with the exceptions, and/or corrections, if any, as shown on the errata sheet attached hereto.

\_\_\_\_\_  
MITCHELL A. KUPINSKY

Sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_ by MITCHELL A. KUPINSKY.

\_\_\_\_\_  
NOTARY PUBLIC  
State of \_\_\_\_\_

Personally know to me \_\_\_\_\_ or produced identification \_\_\_\_\_

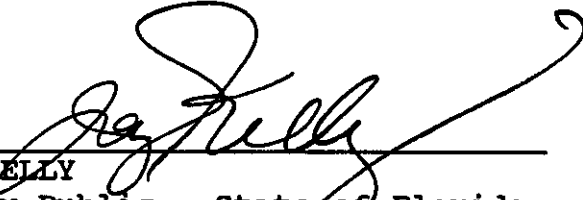
Type of identification produced \_\_\_\_\_

1 F L O R I D A )  
:  
2 C O U N T Y O F L E O N )

CERTIFICATE OF OATH

3 I, the undersigned authority, certify that  
4 MITCHELL A. KUPINSKY personally appeared before me and  
5 was duly sworn.

6 WITNESS my hand and official seal this 6th  
7 day of February, 1997.

8  
9   
10 JOY KELLY  
Notary Public - State of Florida



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1 STATE OF FLORIDA)  
 : CERTIFICATE OF REPORTER  
 2 COUNTY OF LEON )

3  
 4 I, JOY KELLY, Official Commission Reporter,

5 DO HEREBY CERTIFY that I was authorized to  
 and did stenographically report the foregoing  
 6 deposition of MITCHELL A. KUPINSKY.

7 I FURTHER CERTIFY that this transcript,  
 consisting of 114 pages, constitutes a true record of  
 8 the testimony given by the witness.

9 I FURTHER CERTIFY that I am not a relative,  
 employee, attorney or counsel of any of the parties,  
 10 nor am I a relative or employee of any of the parties'  
 attorney or counsel connected with the action, nor am  
 I financially interested in the action.


11 DATED this 7th day of February, 1997.

12

13

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 \_\_\_\_\_  
 JOY KELLY  
 Official Commission Reporter  
 Telephone No. (904) 413-6732

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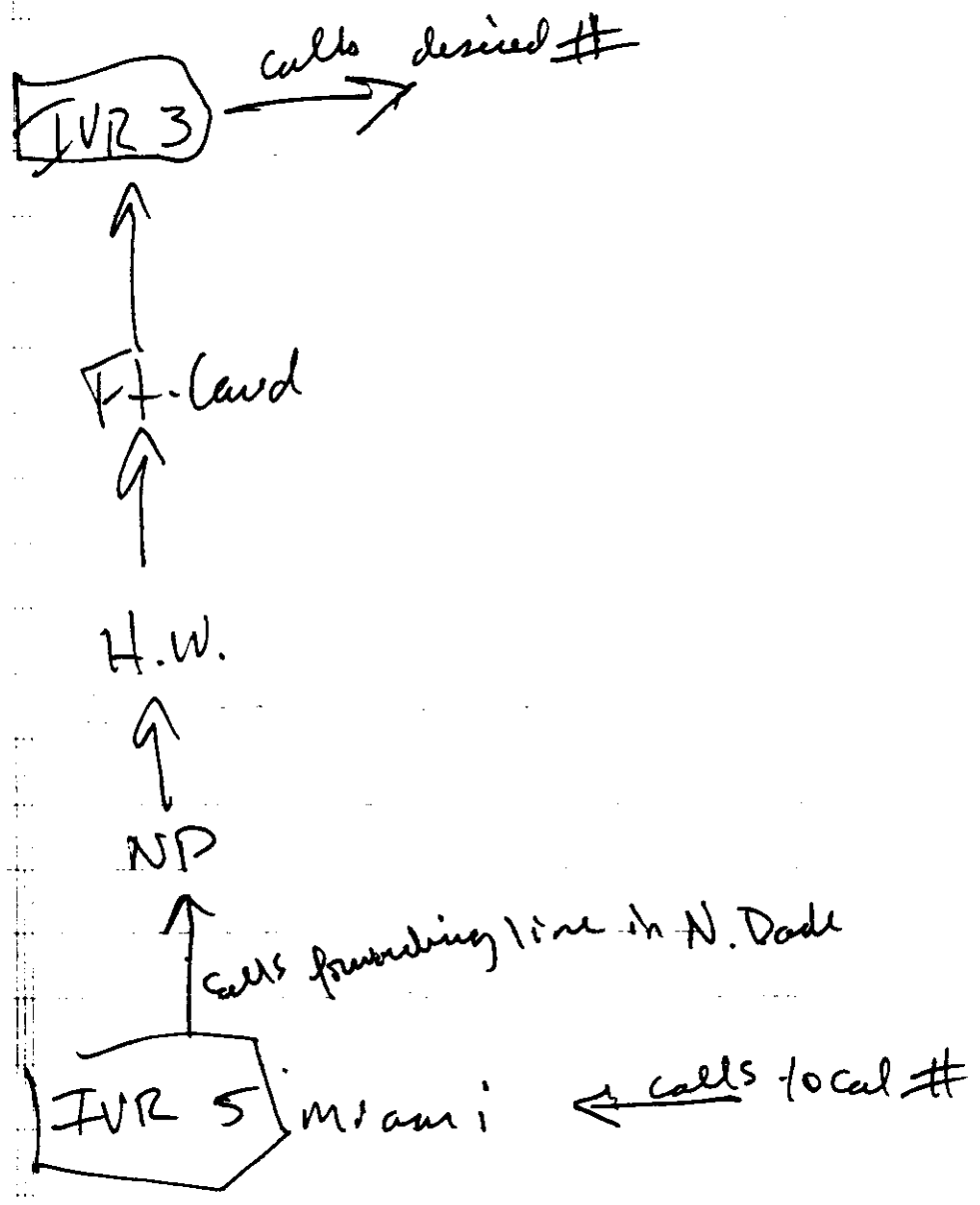
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# Call from Miami to Pompano

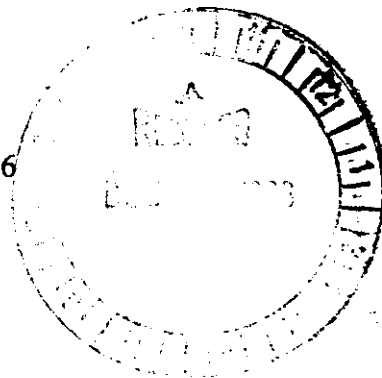


SWIDLER  
&  
BERLIN  
CHARTERED

COLIN M. ALBERTS  
ATTORNEY-AT-LAW

DIRECT DIAL  
(202)424-7810

December 17, 1996



96 DEC 16 10:00 AM

**VIA FEDERAL EXPRESS**

Mr. Vonnie Wiggins  
Division of Records & Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

**Re: Submission of Price List of Telenet of South Florida, Inc. for Alternative  
Local Exchange Telecommunications Services Within the State of Florida**

Dear Mr. Wiggins:

Pursuant to our telephone conversation of today, please find enclosed for filing a revised copy of the above-referenced Price List of Telenet of South Florida, Inc. ("Telenet"), together with a high-density 3.5" diskette containing the price list in WordPerfect 6.1 for Windows format.

Thank you for your attention to this matter, and we apologize for any misunderstanding that has arisen as a result of this procedure.

Sincerely,

Douglas G. Bonner  
Colin M. Alberts  
Counsel for Telenet of South Florida, Inc.

Enclosures

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**FLORIDA PUBLIC SERVICE COMMISSION**

**Division of Communications  
Bureau of Service Evaluation**

**PRICE LIST OF**

**TELENET OF SOUTH FLORIDA, INC.**

**AN**

**ALTERNATIVE LOCAL EXCHANGE COMPANY**

**Florida Public Service Commission  
Division of Communications  
Bureau of Service Evaluation  
2540 Shumard Oak Blvd.  
Gunter Building  
Tallahassee, Florida 32399-0850**

**TITLE SHEET**

**FLORIDA TELECOMMUNICATIONS PRICE LIST**

This price list contains the descriptions, regulations, service standards and rates applicable to the furnishing of service and facilities for telecommunications services provided by Telenet of South Florida, Inc., with principal offices at 10422 Taft Street, Pembroke Pines, Florida 33026. This price list applies for services furnished within the state of Florida. This price list is on file with the Florida Public Service Commission ("FPSC"), and copies may be inspected, during normal business hours, at the Company's principal place of business.

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**Issued: October 22, 1996**

**Effective: October 23, 1996**

**by:**

**Mitchell Kupinsky, President  
Telenet of South Florida, Inc.  
10422 Taft Street  
Pembroke Pines, Florida 33026**



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**CHECK SHEET**

The sheets listed below, which are inclusive of this price list, are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all change from the original price list and are currently in effect as of the date of the bottom of this page.

<b>SHEET</b>	<b>REVISION</b>	<b>SHEET</b>	<b>REVISION</b>
1	Original	21	Original
2	Original	22	Original
3	Original	23	Original
4	Original	24	Original
5	Original	25	Original
6	Original	26	Original
7	Original	27	Original
8	Original	28	Original
9	Original	29	Original
10	Original	30	Original
11	Original	31	Original
12	Original	32	Original
13	Original	33	Original
14	Original	34	Original
15	Original	35	Original
16	Original	36	Original
17	Original	37	Original
18	Original	38	Original
19	Original	39	Original
20	Original	40	Original

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**Issued: October 22, 1996**

**Effective: October 23, 1996**

**by:**

**Mitchell Kupinsky, President  
Telenet of South Florida, Inc.  
10422 Taft Street  
Pembroke Pines, Florida 33026**

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**TABLE OF CONTENTS**

Title Sheet

Table of Contents

Symbols Sheet

Price List Format Sheets

Exchange Service List

Section 1 - Technical Terms and Abbreviations

Section 2 - Rules, Regulations and Service Quality Criteria

Section 3 - Basic Service Description and Rates

Section 4 - Non-Basic Service Description and Rates

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**Issued: October 22, 1996**

**Effective: October 23, 1996**

**by:**

**Mitchell Kupinsky, President  
Telenet of South Florida, Inc.  
10422 Taft Street  
Pembroke Pines, Florida 33026**

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**SYMBOLS SHEET**

The following are the only symbols used for the purposes indicated below:

- D - Delete or Discontinue
- I - Change Resulting in an Increase to a Customer's Bill
- M - Moved from Another Price List Location
- N - New
- R - Change Resulting in a Reduction to a Customer's Bill
- T - Change in Text or Regulation but No Change in Rate or Charge

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**Issued: October 22, 1996**

**Effective: October 23, 1996**

**by:**

**Mitchell Kupinsky, President  
Telenet of South Florida, Inc.  
10422 Taft Street  
Pembroke Pines, Florida 33026**

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**PRICE LIST FORMAT SHEETS**

**A. Sheet Numbering** - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the price list. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.

**B. Sheet Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the FPSC. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc., the FPSC follows in their price list approval process, the most current sheet number on file with the Commission is not always the price list page in effect. Consult the Check Sheet for the sheet currently in effect.

**C. Paragraph Numbering Sequence** - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 2.
- 2.1.
- 2.1.1.
- 2.1.1.A.
- 2.1.1.A.1.
- 2.1.1.A.1.(a).
- 2.1.1.A.1.(A).I.
- 2.1.1.A.1.(a).I.(i).
- 2.1.1.A.1.(a).I.(i).(1).

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Issued: October 22, 1996

Effective: October 23, 1996

by:

**Mitchell Kupinsky, President  
Telenet of South Florida, Inc.  
10422 Taft Street  
Pembroke Pines, Florida 33026**

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**PRICE LIST FORMAT SHEETS**

**D. Check Sheets** - When a price list filing is made with the FPSC, an updated check sheet accompanies the price list filing. The check sheet lists the sheets contained in the price list, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages). The price list user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the FPSC.

---

**Issued: October 22, 1996**

**Effective: October 23, 1996**

**by:**

**Mitchell Kupinsky, President  
Telenet of South Florida, Inc.  
10422 Taft Street  
Pembroke Pines, Florida 33026**

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**EXCHANGE SERVICE LIST**

Telenet serves the following exchanges:

<b>CITY</b>	<b>NXX OR NPA-NXX</b>
Homestead	216, 224, 230, 242, 245, 246, 247, 258, 508, 910
Miami	205, 207, 208, 212, 213, 214, 215, 217, 219, 220, 221, 222, 223, 225, 226, 227, 228, 229, 231, 237, 241, 243, 244, 250, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 279, 284, 285, 286, 287, 288, 290, 291, 297, 298, 299, 301, 302, 310, 312, 313, 314, 315, 317, 322, 323, 324, 325, 326, 329, 334, 337, 339, 342, 347, 348, 350, 352, 353, 358, 361, 362, 363, 364, 365, 366, 368, 369, 371, 372, 373, 374, 375, 376, 377, 379, 380, 381, 382, 383, 385, 386, 387, 388, 389, 391, 392, 397, 399, 400, 406, 408, 412, 413, 414, 416, 418, 436, 438, 439, 441, 442, 443, 444, 445, 446, 447, 448, 449, 456, 458, 460, 461, 464, 465, 470, 471, 477, 478, 482, 483, 487, 488, 495, 496, 498, 499, 500, 501, 504, 505, 507, 510, 512, 513, 514, 518, 520, 526, 529, 530, 531, 532, 533, 534, 535, 536, 538, 539, 540, 541, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 556, 557, 558, 559, 560, 567, 569, 571, 573, 575, 576, 577, 578, 579, 580, 582, 585, 586, 588, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 601, 602, 603, 604, 605, 606, 607, 608, 613, 615, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 649, 661, 662, 663, 665, 666, 667,

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10422 Taft Street  
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EXCHANGE SERVICE LIST (continued)

CITY	NXX OR NPA-NXX
Miami (cont'd)	668, 669, 670, 671, 672, 673, 674, 679, 681, 685, 687, 688, 689, 691, 693, 694, 696, 697, 699, 701, 702, 703, 707, 710, 715, 716, 717, 718, 729, 732, 734, 736, 737, 738, 740, 750, 751, 754, 756, 757, 758, 759, 762, 769, 773, 774, 775, 789, 790, 793, 794, 795, 798, 799, 805, 806, 808, 810, 812, 814, 815, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 873, 874, 876, 877, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 891, 892, 893, 895, 898, 899, 903, 905, 906, 908, 912, 913, 939, 951, 953, 955, 982, 992, 993, 994, 995, 996, 997, 998
Boca Raton	212, 226, 241, 289, 338, 347, 361, 363, 367, 368, 378, 391, 392, 393, 394, 395, 416, 435, 442, 443, 445, 447, 451, 457, 458, 470, 477, 479, 482, 483, 487, 488, 505, 561-212, 561-226, 561-241, 561- 289, 561-338, 561-347, 561-361, 561-362, 561-367, 561-368, 561-378, 561-391, 561-392, 561-393, 561- 394, 561-395, 561-416, 561-435, 561-442, 561-443, 561-445, 561-447, 561-451, 561-457, 561-458, 561- 470, 561-477, 561-479, 561-482, 561-483, 561-487, 561-488, 561-505, 561-750, 561-756, 561-852, 561- 866, 561-883, 561-912, 561-955, 561-982, 561-988, 561-989, 561-994, 561-995, 561-997, 561-998

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**EXCHANGE SERVICE LIST (continued)**

<b>CITY</b>	<b>NXX OR NPA-NXX</b>
Delray Beach	243, 251, 265, 266, 271, 272, 274, 276, 278, 279, 280, 495, 496, 498, 499, 573, 637, 706, 715, 716, 789
North Dade	201, 206, 209, 210, 218, 239, 306, 308, 318, 319, 331, 332, 333, 335, 336, 343, 354, 409, 410, 417, 454, 466, 469, 516, 521, 542, 616, 617, 618, 620, 621, 622, 623, 624, 625, 626, 628, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 678, 682, 690, 692, 705, 706, 708, 719, 727, 770, 778, 787, 816, 829, 875, 901, 902, 904, 907, 915, 918, 919, 931, 932, 933, 934, 935, 936, 937, 940, 944, 945, 947, 948, 949, 952, 956, 957, 965, 976, 999
Perrine	232, 233, 234, 235, 238, 251, 252, 253, 254, 255, 256, 259, 278, 281, 282, 283, 338, 378, 506, 878, 909
Coral Springs	954-255, 954-282, 954-340, 954-341, 954-344, 954- 345, 954-346, 954-530, 954-752, 954-753, 954-755, 954-796
Deerfield Beach	954-234, 954-242, 954-246, 954-254, 954-263, 954- 281, 954-304, 954-360, 954-415, 954-418, 954-419, 954-420, 954-421, 954-422, 954-425, 954-426, 954- 427, 954-428, 954-429, 954-480, 954-481, 954-531,

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**EXCHANGE SERVICE LIST (continued)**

**CITY**

**NXX OR NPA-NXX**

Deerfield Beach (cont'd)

954-570, 954-574, 954-675, 954-690, 954-695, 954-698, 954-725, 954-743, 954-803, 954-860

Ft. Lauderdale

954-202, 954-207, 954-209, 954-215, 954-216, 954-224, 954-231, 954-232, 954-233, 954-235, 954-236, 954-238, 954-240, 954-244, 954-249, 954-252, 954-253, 954-256, 954-257, 954-258, 954-259, 954-260, 954-262, 954-293, 954-294, 954-295, 954-296, 954-303, 954-307, 954-309, 954-316, 954-319, 954-321, 954-327, 954-328, 954-349, 954-351, 954-355, 954-356, 954-357, 954-359, 954-3707, 954-382, 954-383, 954-384, 954-386, 954-387, 954-388, 954-389, 954-390, 954-396, 954-398, 954-401, 954-402, 954-403, 954-405, 954-408, 954-409, 954-412, 954-413, 954-423, 954-424, 954-434, 954-452, 954-453, 954-459, 954-462, 954-463, 954-466, 954-467, 954-468, 954-469, 954-472, 954-473, 954-474, 954-475, 954-476, 954-484, 954-485, 954-486, 954-489, 954-490, 954-491, 954-492, 954-493, 954-494, 954-497, 954-503, 954-506, 954-507, 954-508, 954-509, 954-512, 954-513, 954-514, 954-515, 954-516, 954-517, 954-518, 954-519, 954-521, 954-522, 954-523, 954-524, 954-525, 954-527, 954-528, 954-533, 954-537, 954-546, 954-550, 954-561, 954-562, 954-563, 954-564, 954-565, 954-566, 954-576, 954-568, 954-572, 954-581, 954-583, 954-584, 954-587, 954-609, 954-610,

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**EXCHANGE SERVICE LIST (continued)**

<b>CITY</b>	<b>NXX OR NPA-NXX</b>
Ft. Lauderdale (cont'd)	954-612, 954-614, 954-619, 954-627, 954-629, 954-630, 954-631, 954-645, 954-646, 954-647, 954-648, 954-664, 954-676, 954-677, 954-679, 954-680, 954-683, 954-684, 954-705, 954-712, 954-713, 954-714, 954-723, 954-728, 954-730, 954-731, 954-733, 954-735, 954-739, 954-741, 954-742, 954-745, 954-746, 954-747, 954-748, 954-749, 954-760, 954-761, 954-763, 954-764, 954-765, 954-766, 954-767, 954-768, 954-771, 954-772, 954-774, 954-776, 954-777, 954-779, 954-791, 954-792, 954-797, 954-801, 954-802, 954-804, 954-808, 954-810, 954-814, 954-830, 954-831, 954-832, 954-845, 954-846, 954-847, 954-848, 954-849, 954-850, 954-851, 954-853, 954-855, 954-858, 954-872, 954-875, 954-877, 954-878, 954-879, 954-896, 954-897, 954-898, 954-916, 954-928, 954-938, 954-958, 954-980, 954-992
Hollywood	954-248, 954-266, 954-378, 954-430, 954-431, 954-432, 954-433, 954-435, 954-436, 954-437, 954-438, 954-441, 954-450, 954-454, 954-455, 954-456, 954-457, 954-458, 954-534, 954-704, 954-744, 954-894, 954-920, 954-921, 954-922, 954-923, 954-924, 954-925, 954-926, 954-927, 954-929, 954-961, 954-962, 954-963, 954-964, 954-966, 954-967, 954-981, 954-983, 954-985, 954-986, 954-987, 954-989, 517, 664, 879, 451, 453, 852, 853, 896, 293, 294, 295, 296, 307, 509, 434, 743

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EXCHANGE SERVICE LIST (continued)

CITY	NXX OR NPA-NXX
Pompano Beach	954-247, 954-283, 954-532, 954-720, 954-721, 954-722, 954-724, 954-726, 954-781, 954-782, 954-783, 954-784, 954-785, 954-786, 954-788, 954-917, 954-941, 954-942, 954-943, 954-946, 954-960, 954-968, 954-969, 954-970, 954-971, 954-972, 954-973, 954-974, 954-975, 954-977, 954-978, 954-979, 954-984
Lake Worth	561-313, 561-315, 561-601, 561-602, 561-603
Boynton Beach	561-364, 561-369, 561-374, 561-375, 561-608, 561-704, 561-731, 561-732, 561-733, 561-734, 561-735, 561-736, 561-737, 561-738, 561-739, 561-787
Jupiter	401, 575, 743, 744, 745, 746, 747, 748
West Palm Beach	202, 227, 230, 233, 252, 301, 307, 308, 309, 310, 312, 319, 326, 329, 346, 355, 357, 358, 371, 373, 379, 385, 386, 387, 389, 433, 434, 437, 439, 471, 478, 508, 515, 533, 534, 535, 540, 547, 550, 551, 552, 553, 554, 556, 580, 582, 585, 586, 588, 604, 605, 606, 607, 610, 615, 616, 622, 624, 625, 626, 627, 640, 641, 642, 650, 652, 653, 655, 659, 681, 683, 684, 685, 686, 687, 688, 689, 691, 694, 697, 712, 751, 753, 754, 758, 759, 762, 775, 776, 790, 791, 792, 793, 795, 796, 798, 802, 803, 804, 818, 820, 822, 832, 833, 835, 837, 838, 840, 842, 844,

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Pembroke Pines, Florida 33026

West Palm Beach (cont'd)

845, 848, 854, 863, 874, 881, 882, 885, 936, 937,  
947, 963, 964, 965, 966, 967, 968, 969

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**SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS**

**Access Line** - An arrangement which connects the customer's location to a Telenet of South Florida, Inc. network switching center.

**Company or Carrier** - Telenet of South Florida, Inc.

**Customer** - The person, firm, corporation or other entity which orders service and is responsible for payment of charges due, and compliance with, the Company's price list regulations.

**Day** - From 8:00 a.m. up to, but not including, 5:00 p.m. local time Sunday through Friday.

**Evening** - From 5:00 p.m. up to, but not including, 11:00 p.m. local time Sunday through Friday.

**Holidays** - Telenet of South Florida, Inc.'s recognized holidays are New Year's Day, Martin Luther King, Jr. Day, Presidents Day, Ground Hog Day, St. Patrick's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, Christmas Day.

**Night/Weekend** - From 11:00 p.m. up to, but not including, 8:00 a.m. Sunday through Friday, and 8:00 a.m. Saturday up to but not including 5:00 p.m. Sunday.

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**SECTION 2 - RULES, REGULATIONS AND SERVICE QUALITY CRITERIA**

**2.1 Undertaking of the Company**

**2.1.1 Application**

This price list applies to intrastate communications services furnished by Telenet of South Florida, Inc. to customers within the State of Florida in accordance with the conditions set forth below. This price list applies only for the use of the Company's services for communications between and among points within the State of Florida.

**2.1.2 Scope**

The Company undertakes to furnish communications services in accordance with the terms and conditions set forth in this price list.

**2.1.3 Shortage of Facilities**

All service is subject to the availability of suitable facilities. The Company reserves the right to limit the length of communications or to discontinue furnishing services when necessary because of the lack of transmission medium capacity or because of any causes beyond its control.

**2.1.4 Terms and Conditions**

- (A) Service is provided on the basis of a minimum period of at least one month, 24-hours per day. For the purpose of computing charges in this price list, a month is considered to have 30 days.
- (B) Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this price list.

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2.1 Undertaking of the Company (cont'd)

2.1.4 Terms and Conditions (cont'd)

Customer will also be required to execute any other documents as may be reasonably requested by the Company.

- (C) At the expiration of the initial term specified in each Service Order, or in any extension thereof, service shall continue on a month-to-month basis at the current rates unless terminated by either party upon 30 days written notice. Any termination shall not relieve Customer of its obligation to pay any charges incurred under the Service Order and this price list prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the Service Order shall survive such termination.
- (D) In any action between the parties to enforce any provision of this price list, the prevailing party shall be entitled to recover its legal fees and court costs from the non-prevailing party in addition to other relief a court may award.
- (E) This price list shall be interpreted and governed by the laws of the State of Florida without regard for its choice of laws provision.

2.1.5 Liability of the Company

- (A) Except as otherwise stated in this price list, the liability of the Company for damages arising out of the furnishing of its Services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services or arising out of the failure to furnish the service, whether caused by acts or omission, shall be limited to the extension of allowances for interruption as set forth in Section 2.8. The extension of such allowances for

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Dunwoody, Florida 33026

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2.1 Undertaking of the Company (cont'd)

2.1.5 Liability of the Company (cont'd)

interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to the Customer as a result of any Company service, equipment or facilities, or any acts or omissions or negligence of the Company's employees or agents.

- (B) The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action, or request of the United States government, or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way materials; or strikes, lock-outs, work stoppages, or other labor difficulties.
- (C) The Company shall not be liable for (a) any act or omission of any entity furnishing to the Company or to the Company's Customers facilities or equipment used for interconnection with Network Services; or (b) for the acts or omissions of common carriers or warehousemen.
- (D) The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of equipment or facilities provided by the Customer or third parties.

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**10422 Taft Street**  
**Pembroke Pines, Florida 33026**



**2.1 Undertaking of the Company (cont'd)**

**2.1.5 Liability of the Company (cont'd)**

- (E) The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer indemnifies and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of any installation so provided. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this Section 2.1.5(E) as a condition precedent to such installations.
  
- (F) The Company is not liable for any defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such Premises or the installation or removal thereof, unless such defacement or damage is caused by gross negligence or willful misconduct of the Company's agents or employees.
  
- (G) The Company shall be indemnified, defended and held harmless by the Customer from and against all loss, liability, damage and expense, including reasonable counsel fees, due to claims for libel, slander, invasion of privacy or infringement of copyright in connection with the material transmitted over the Company's facilities; and any other claim resulting from any act or omission of the Customer or patron(s) of the Customer relating to the use of the Company's facilities.

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Pembroke Pines, Florida 33026**

2.1 Undertaking of the Company (cont'd)

2.1.5 Liability of the Company (cont'd)

- (H) The entire liability for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid the Company by the Customer for the specific services in the month in which the event giving rise to the liability occurred. No action or proceeding against the Company shall be commenced more than one year after the event giving rise to the liability occurred.
- (I) THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.
- (J) The Company shall indemnify, defend, and hold harmless the Customer from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees, for any injury to persons or property, and any interruption of, interference to, or other defect in any service provided by the Company to any third party, if such injury, interruption, interference, or other defect was not caused by any negligent or intentional act or omission of the Customer or any of its officers, employees, agents, invitees, or contractors.

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**2.1 Undertaking of the Company (cont'd)**

**2.1.6 Provision of Equipment and Facilities**

- (A) Except as otherwise indicated, customer-provided station equipment at the Customer's premises for use in conjunction with this service shall be so constructed, maintained and operated as to work satisfactorily with the facilities of the Company.
  
- (B) The company shall not be responsible for the installation, operation or maintenance of any Customer-provided communications equipment. Where such equipment is connected to service furnished pursuant to this price list, the responsibility of the Company shall be limited to the furnishing of services under this price list and to the maintenance and operation of such services in the proper manner. Subject to this responsibility, the Company shall not be responsible for:
  - (1) the through transmission of signals generated by Customer-provided equipment or for the quality of, or defects in, such transmission; or
  - (2) the reception of signals by Customer-provided equipment; or
  - (3) network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

**2.1.7 Ownership of Facilities**

Title to all facilities provided in accordance with this price list remains in the Company, its agents, contractors or suppliers.

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**2.2 Prohibited Uses**

- (A) The services the Company offers shall not be used for any unlawful purpose or for any use for which the Customer has not obtained all required governmental approvals, authorization, licenses, consents and permits.
- (B) The Company may require applicants for service who intend to use the Company's offering for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and regulations, policies, orders, and decisions.
- (C) The Company may require a Customer to immediately shut down its transmission if such transmission is causing interference to others.
- (D) A customer, joint user, or authorized user may not assign, or transfer in any manner, the service or any rights associated with the service without the written consent of the Company. The Company will permit a Customer to transfer its existing service to another entity if the existing Customer has paid all charges owed to the Company for regulated communications services. Such a transfer will be treated as a disconnection of existing service and installation of new service, and non-recurring installation charges as stated in this price list will apply.

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**2.3 Obligations of the Customer**

**2.3.1 Customer Premises Provisions**

- (A) The Customer shall provide the personnel, power and space required to operate all facilities and associated equipment installed on the premises of the Customer.
- (B) The Customer shall be responsible for providing Company personnel access to premises of the Customer at any reasonable hour for the purpose of testing the facilities or equipment of the Company.

**2.3.2 Liability of the Customer**

- (A) The Customer will be liable for damages to the facilities of the Company and for all incidental and consequential damages caused by the negligent or intentional acts or omissions of the Customer, its officers, employees, agents, invitees, or contractors where such acts or omissions are not the direct result of the Company's negligence or intentional misconduct.
- (B) To the extent caused by any negligent or intentional act of the Customer as described in (A), preceding, the Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees, for (1) any loss, destruction or damage to property of any third party, (2) the death of or injury to persons, including, but not limited to, employees or invitees of either party, and (3) any liability incurred by the Company to any third party pursuant to this or any other price list of the Company, or otherwise, for any interruption of, interference to, or other defect in any service provided by the Company to such third party.

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Pembroke Pines, Florida 33026**

2.3 Obligations of the Customer (cont'd)

2.3.2 Liability of the Customer (cont'd)

- C) The Customer shall not assert any claim against any other customer or user of the Company's services for damages resulting in whole or in part from or arising in connection with the furnishing of service under this Price list including but not limited to mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations, whether or not such other customer or user contributed in any way to the occurrence of the damages, unless such damages were caused solely by the negligent or intentional act or omission of the other customer or user and not by any act or omission of the Company. Nothing in this Price list is intended either to limit or to expand Customer's right to assert any claims against third parties for damages of any nature other than those described in the preceding sentence.

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Issued: October 22, 1996

Effective: October 23, 1996

by:

**Mitchell Kupinsky, President  
Telenet of South Florida, Inc.  
10422 Taft Street  
Pembroke Pines, Florida 33026**

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**2.4 Customer Equipment and Channels**

**2.4.1 Interconnection of Facilities**

- (A) Interconnection between Customer-provided and Company-provided service must be made by the Customer's purchase of dedicated access lines or through the use of LEC-provided switched access service.
- (B) In order to protect the Company's facilities and personnel and the services furnished to other customers by the Company from potentially harmful effects, the signals applied to the Company's service shall be such as not to cause damage to the facilities of the Company. Any special interface equipment necessary to achieve the compatibility between facilities of the Company and the channels or facilities of others shall be provided at the Customer's expense.

**2.4.2 Inspections**

- (A) The Company may, upon notification to the Customer, at a reasonable time, make such tests and inspections as may be necessary to determine that the requirements regarding the equipment and interconnections are being complied with the installation, operation and maintenance of Customer-provided equipment and in the wiring of the connection of Customer channels to Company-owned facilities.
- (B) If the protective requirements in connections with Customer-provided equipment are not being complied with, the Company may take such action as necessary to protect its facilities and personnel and will promptly notify the Customer by registered mail in writing of the need for protective action. In the event that the Customer fails to advise the Company within 10 days after such notice is received or within the time specified in the notice that corrective action has been taken, the Company may take whatever additional action is deemed necessary, including the

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**2.4 Customer Equipment and Channels (cont'd)**

**2.4.2 Inspections (cont'd)**

suspension of service, to protect its facilities and personnel from harm. The Company will upon request 24 hours in advance provide Customer with a statement of technical parameters that the Customer's equipment must meet.

**2.5 Advance Payments**

To safeguard its interests, the Company may require a Customer to make an advance payment before services and facilities are furnished. The advance payment will not exceed an amount up to one month of estimated monthly usage charges. In addition, where special construction is involved, the advance payment may also include an amount equal to the estimated non-recurring charges for the special construction and recurring charges (if any) for a period to be set between the Company and the Customer. The advance payment will be credited to the Customer's initial bill.

**2.6 Customer Deposits**

The company will not request customer deposits.

**2.7 Payment Arrangements**

**2.7.1 Payment for Service**

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer.

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**2.7 Payment Arrangements (cont'd)**

**2.7.1 Payment for Service (cont'd)**

**(A) Taxes**

The Customer is responsible for payment of any sales, use, gross receipts, excise, access or other local, state and federal taxes, charges or surcharges (however, designated) (excluding taxes on the Company's net income) imposed on or based upon the provision, sale or use of Network Services.

**2.7.2 Billing and Collection of Charges**

The Customer is responsible for payment of all charges incurred by the Customer or other users for services and facilities furnished to the Customer by the Company.

**(A)** Non-recurring charges are due and payable within 30 days after the date of the invoice.

**(B)** The Company shall present invoices for Recurring Charges monthly to the Customer, in advance of the month in which service is provided, and Recurring Charges shall be due and payable within 30 days after the date of the invoice. When billing is based upon customer usage, usage charges will be billed monthly for the preceding billing period.

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2.7 Payment Arrangements (cont'd)

2.7.2 Billing and Collection of Charges (cont'd)

- (C) When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rate basis. For this purpose, every month is considered to have 30 days.
- (D) Billing of the Customer by the Company will begin on the Service Commencement Date, which is the day on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this price list or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.
- (E) If any portion of the payment is received by the Company after the date due, or if any portion of the payment is received by the Company in funds which are not immediately available upon presentment, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the date due, multiplied by a late factor. The late factor shall be the lesser of:
  - (1) a rate of 1.5 percent per month; or
  - (2) the highest interest rate which may be applied under state law for commercial transactions.
- (F) The Customer will be assessed a charge of twenty-five dollars (\$25.00) for each check submitted by the Customer to the Company which a financial institution refuses to honor.

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**2.7 Payment Arrangements (cont'd)**

**2.7.2 Billing and Collection of Charges (cont'd)**

- (G) Customers have up to 90 days (commencing 5 days after remittance of the bill) to initiate a dispute over charges or to receive credits.
- (H) If service is disconnected by the Company in accordance with section 2.7.3 following and later restored, restoration of service will be subject to all applicable installation charges.

**2.7.3 Discontinuance of Service for Cause**

- (A) Upon nonpayment of any amounts owing to the Company, the Company may, by giving 24 hours prior written notice to the Customer, discontinue or suspend service without incurring any liability.
- (B) Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving 24 hours prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.
- (C) Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.

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2.7 Payment Arrangements (cont'd)

2.7.3 Discontinuance of Service for Cause (cont'd)

- (D) Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Company may immediately discontinue or suspend service without incurring any liability.
- (E) Upon any governmental prohibition or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.
- (F) In the event of fraudulent use of the Company's network, the Company may without notice suspend or discontinue service. The Customer will be liable for all related costs as set forth in Section 2.10 of this price list. The Customer will also be responsible for payment of any reconnection charges.
- (G) Upon the Company's discontinuance of service to the Customer under Section 2.7.3(A) or 2.7.3(B), the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this price list, may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer to be immediately due and payable (discounted to present value at six percent).

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2.7 Payment Arrangements (cont'd)

2.7.4 Notice to Company for Cancellation of Service

Customers desiring to terminate service shall provide Company thirty (30) days written notice of desire to terminate service.

2.8 Allowances for Interruptions in Service

Interruptions in service, which are not due to the negligence of, or noncompliance with the provisions of this price list by, the Customer or the operation or malfunction of the facilities, power or equipment provided by the Customer, will be credited to the Customer as set forth in 2.8.1 for the part of the service that the interruption affects.

2.8.1 Credit for Interruptions

- (A) A credit allowance will be made when an interruption occurs because of a failure of any component furnished by the Company under this price list. An interruption period begins when the Customer reports a service, facility or circuit to be interrupted and releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.
- (B) For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rata basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.

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2.8 Allowances for Interruptions in Service (cont'd)

2.8.1 Credit for Interruptions (cont'd)

(C) A credit allowance will be given for interruptions of 15 minutes or more. Credit allowances shall be calculated as follows:

Interruptions of 24 Hours or Less

<u>Length of Interruption</u>	<u>Interruption Period To Be Credited</u>
Less than 15 minutes	None
15 minutes up to but not including 3 hours	1/10 Day
3 hours up to but not including 6 hours	1/5 Day
6 hours up to but not including 9 hours	2/5 Day
9 hours up to but not including 12 hours	3/5 Day
12 hours up to but not including 15 hours	4/5 Day
15 hours up to but not including 24 hours	One Day

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2.8 Allowances for Interruptions in Service (cont'd)

2.8.1 Credit for Interruptions (cont'd)

Two or more interruptions of 15 minutes or more during any one 24-hour period shall be considered as one interruption.

- (C) Interruptions Over 24 Hours and Less Than 72 Hours. Interruptions over 24 hours and less than 72 hours will be credited 1/5 day for each 3-hour period or fraction thereof. No more than one full day's credit will be allowed for any period of 24 hours.

Interruptions Over 72 Hours. Interruptions over 72 hours will be credited 2 days for each full 24-hour period. No more than 30 days credit will be allowed for any one month period.

2.8.2 Limitations on Allowances

No credit allowance will be made for interruptions of service:

- (A) due to the negligence of, or noncompliance with the provisions of this price list or contract by, the Customer, authorized user, joint user, or other common carrier providing service connected to the service of the Company;
- (B) due to the negligence of any person other than the Company, including but not limited to the Customer or other common carriers connected to the Company's facilities;
- (C) due to the failure or malfunction of non-Company equipment;

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2.8 Allowances for Interruptions in Service (cont'd)

2.8.2 Limitations on Allowances (cont'd)

- (D) during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;
- (E) during a period in which the Customer continues to use the service on an impaired basis;
- (F) during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- (G) due to circumstances or causes beyond the control of Company; and
- (H) that occur or continue due to the Customer's failure to authorize replacement of any element of special construction.

2.8.3 Cancellation For Service Interruption

Cancellation or termination for service interruption is permitted only if any circuit experiences a single continuous outage of 8 hours or more or cumulative service credits equaling 16 hours in a continuous 12-month period. The right to cancel service under this provision applies only to the single circuit which has been subject to the outage or cumulative service credits.

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2.9 Cancellation of Service/Termination Liability

If a Customer cancels a Service Order or terminates services before the completion of the term for any reason whatsoever other than a service interruption (as defined in Section 2.8.1), Customer agrees to pay to Company termination liability charges, which are defined below. These charges shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in Section 2.7.2.

2.9.1 Termination Liability

Customer's termination liability for cancellation of service shall be equal to:

- (a) all unpaid Non-Recurring charges reasonably expended by Company to establish service to Customer, plus;
- (b) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus;
- (c) all Recurring Charges specified in the applicable Service Order for the balance of the then current term discounted at the prime rate announced in the Wall Street Journal on the third business day following the date of cancellation;
- (d) minus a reasonable allowance for costs avoided by the Company as a direct result of Customer's cancellation.

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2.10 Customer Liability for Unauthorized Use of the Network

2.10.1 Unauthorized Use of the Network

Unauthorized use of the Network occurs when a person or entity that does not have actual, apparent, or implied authority to use the Network, obtains the Company's services provided under this price list.

2.10 Customer Liability for Unauthorized Use of the Network

2.10.2 Liability for Calling Card Fraud

- (A) The Customer is liable for the unauthorized use of the Network obtained through the fraudulent use of a Company calling card, provided that the unauthorized use occurs before the Company has been notified.
- (B) A Company calling card is a telephone calling card issued by the Company at the Customer's request, which enables the Customer or user(s) authorized by the Customer to place calls over the Network and to have the charges for such calls billed to the Customer's account.
- (C) The Customer must give the Company written notice that an unauthorized use of the Company calling card has occurred or may occur as a result of loss, theft or other reasons.
- (D) The Customer is responsible for payment of all charges for services furnished to the Customer or to users authorized by the Customer to use service provided under this price list. This responsibility is

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**2.10 Customer Liability for Unauthorized Use of the Network (cont'd.)**

**2.10.2 Liability for Calling Card Fraud (cont'd.)**

not changed due to any use, misuse, or abuse of the Customer's service or Customer-provided equipment by third parties, the Customer's employees, or the public.

- (E) The Customer is liable for all charges incurred as a result of unauthorized use of the Network, including incidental and consequential damages. In addition, the Customer is responsible for payment of any charges related to the suspension and/or termination of service and any charges for reconnection of service.

**2.10.3 Liability for Credit Card Fraud and Other Unauthorized Use**

- (A) The Customer is liable for the unauthorized use of the Network obtained through the fraudulent use of a credit card, provided: (1) the card is an accepted credit card, and (2) the unauthorized use occurs before the Company has been notified.

An accepted credit card is any credit card that a cardholder has requested or applied for and received, or has signed, used, or authorized another person to use to obtain credit. Any credit card issued as an renewal or substitute in accordance with this paragraph is an accepted credit card when received by the cardholder.

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**2.10 Customer Liability for Unauthorized Use of the Network (cont'd.)**

**2.10.3 Liability for Credit Card Fraud and Other Unauthorized Use (cont'd)**

- (B) The liability of the Customer for unauthorized use of the Network by credit card fraud will not exceed the lesser of \$50 or the amount of money, property, labor, or services obtained by the unauthorized user before notification to the Company.
- (C) The Customer must give the Company written notice that an unauthorized use of the credit card has occurred.

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**SECTION 3 - BASIC SERVICE DESCRIPTIONS AND RATES**

**3.1 SERVICE OFFERINGS**

~~The Company does not yet offer basic local service.~~

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Pembroke Pines, Florida 33026**

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**SECTION 4 - NON-BASIC SERVICE DESCRIPTIONS AND RATES**

**4.1 SERVICE OFFERINGS**

- (A) The Company offers intraLATA call switching for Customers. Customers access the Company network through a local access telephone number via their local exchange carrier. The Company then routes a Customer's call to a specified telephone number within the Company's service area listed in the provisions of Original Sheet 8 ("Exchange Service List"). The call only exists within the Company's network during routing.
- (B) The Company does not provide interLATA call switching.
- (C) The Company assesses a \$25 non-recurring account activation fee for new Customers.
- (C) The Company assesses Customers a \$10 service charge for each month of service.
- (D) Customers may access the Company's network 100 times per month for no additional charge.
- (E) Each additional use of the Company's network, beyond the first 100 times per month, is priced on a flat-rated basis of \$0.10 per call.

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Mr. Tony Perrilla  
October 10, 1996

I then called the corporate office in California, explained the situation and at that time I was told to go ahead and order the T-1's. I called Doc back again and told him I was sending him a fax requesting installation of T-1 lines in Palm Beach County, Pompano Beach and Hollywood; fax was sent. He said that he would talk to some of his people and get back to me as soon as possible. He also told me on the second phone call that they were going to "pull the plug" as of November 11th. I told him we would abide by anything BellSouth wants us to do. I asked him flat out what do we have to do and again he told us we can't operate the way we are. Doc stated if there is some other way to do it that abides by the tariff, BellSouth would take our money in a heartbeat. Doc also stated BellSouth has enough problems with the Public Service Commission as it is and that BellSouth doesn't want to put "a stake in the ground with TeleNet's name on it" that's going to change the way they do business. Doc also stated that we're not the only company to have a problem with this issue (the tariff). He mentioned something about other companies doing something with the internet. I asked him bluntly are we going to get this up and running and he stated "no not the way you're doing it."

It's plain to see we now have a deadline to meet as quickly as possible and we would appreciate it if you would contact the Powers to Be at BellSouth immediately so that this problem can be resolved amicably. Please do not hesitate to contact me if I can help you expedite the resolution of this situation.

Yours truly,

TELENET OF SOUTH FLORIDA, INC.

  
Bill Demers  
General Manager

BD/mag

EXHIBIT NO. \_\_\_\_\_

DOCKET NO: 961346-TP

WITNESS: ROBERT S. SCHEYE

PARTY: BELLSOUTH

DESCRIPTION:

2/7/97 DEPOSITION TRANSCRIPT

DEPOSITION EXHIBITS NOS. 1-2

BST'S SECTION A13.9 (CUSTOM CALLING SERVICES) GENERAL SUBSCRIBER SERVICE TARIFF

BST'S SECTION A.3.3.1 (LOCAL CALLING AREAS) GENERAL SUBSCRIBER SERVICE TARIFF

PROFFERING PARTY: STAFF

FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 961346-TP EXHIBIT NO. 4  
COMPANY/  
WITNESS:  
DATE: 2-12-97

I.D. # RCS-1

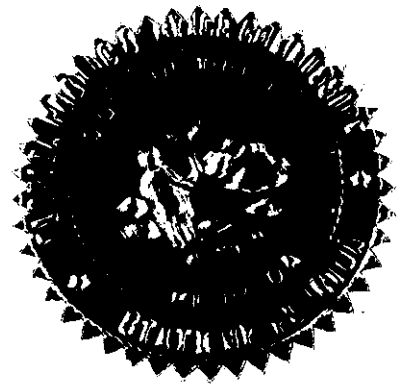


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of  
Petition for arbitration  
of dispute with BellSouth  
Telecommunications, Inc.  
regarding call forwarding  
Telenet of South Florida, Inc.  
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DOCKET NO. 961346-TP



DEPOSITION OF:           ROBERT C. SCHEYE

TAKEN AT THE  
INSTANCE OF:           The Staff of the Florida  
                              Public Service Commission

PLACE:                    Gerald L. Gunter Building  
                              2540 Shumard Oak Boulevard  
                              Room 362  
                              Tallahassee, Florida

TIME:                     Commenced at 9:30.m.  
                              Concluded at 1:15 p.m.

DATE:                     Friday, February 7, 1997

REPORTED BY:            ROWENA NASH  
                              Official Commission Reporter  
                              H. RUTHE POTAMI, CSR, RPR  
                              Official Commission Reporter

1 **APPEARANCES:**

2           **NANCY WHITE**, BellSouth Telecommunications,  
3 Inc., c/o Nancy H. Sims, 150 South Monroe Street,  
4 Suite 400, Tallahassee, Florida 32301-1556, appearing  
5 on behalf of BellSouth Telecommunications, Inc.

6           **CHARLIE PELLEGRINI**, Florida Public Service  
7 Commission, Division of Legal Services, 2540 Shumard  
8 Oak Boulevard, Tallahassee, Florida 32399-0870,  
9 appearing on behalf of the Commission Staff.

10           **DOUGLAS G. BONNER**, Swidler & Berlin,  
11 Chartered, 3000 K Street, N. W., Suite 300,  
12 Washington, D. C. 20007, appearing on behalf of  
13 Telenet of South Florida, Inc.

14

15

16 **ALSO PRESENT:**

17           Maryrose Sirianni, FPSC Communications

18           Nancy Sims, BellSouth

19           Roy Lee, BellSouth

20           Mitchell Kupinsky

21           Marvin Kupinsky

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**S T I P U L A T I O N**

1  
2           IT IS STIPULATED that this deposition was  
3 taken pursuant to notice in accordance with the  
4 applicable Florida Rules of Civil Procedure; that  
5 objections, except as to the form of the question, are  
6 reserved until hearing in this cause; and that reading  
7 and signing was not waived.

8 IT IS ALSO STIPULATED that any off-the-record  
9 conversations are with the consent of the deponent.

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**ROBERT C. SCHEYE**

appeared as a witness and, after being duly sworn by the court reporter, testified as follows:

**EXAMINATION**

**BY MR. PELLEGRINI:**

**Q** This is the deposition of BellSouth Telecommunications Witness Robert C. Scheye, taken in Tallahassee by Commission Staff on this date, February 7, 1997, in Tallahassee.

We'll take appearances at this moment. My name is Charlie Pellegrini. I appear on behalf of Commission Staff, 2540 Shumard Oak Boulevard, Tallahassee, Florida.

**MS. WHITE:** Nancy White representing BellSouth Telecommunications, Inc., 675 West Peachtree Street, Atlanta, Georgia.

**MR. BONNER:** Douglas G. Bonner of the firm of Swidler & Berlin, 3000 K Street, N. W., Suite 300, Washington, D. C. 20007. I'm representing the petitioner, Telenet of South Florida, Inc.

**MR. PELLEGRINI:** Do counsel agree to the usual stipulations?

**MR. BONNER:** Yes, we do.

**MR. PELLEGRINI:** You know them now?

**MR. BONNER:** I know them now.

1 MS. WHITE: Yes, that's fine.

2 Q (By Mr. Pellegrini) Good morning,  
3 Mr. Scheye.

4 A Good morning.

5 Q Would you please state your full name for  
6 the record?

7 A Robert C. Scheye.

8 Q And your business affiliation, please?

9 A I work for BellSouth Telecommunications,  
10 Incorporated.

11 Q In what capacity, sir?

12 A I'm in strategic management.

13 Q Mr. Scheye, let me begin by asking you this  
14 question. Does BellSouth currently provide multipath  
15 call forwarding to Telenet?

16 A Yes, we do.

17 Q To what extent?

18 A I don't know the exact volumes, but it's my  
19 understanding that we've been providing service to  
20 Telenet since approximately November 1995. I don't  
21 have the precise quantities.

22 Q Do you understand that this service has been  
23 limited to customers which existed as of a certain  
24 date?

25 A Yes. It's my understanding that an

1 agreement was reached approximately -- I guess it was  
2 in December or November whereby BellSouth would  
3 continue to process orders that were in existence but  
4 process no additional orders until such a time as this  
5 issue got resolved.

6 Q Does BellSouth provide services of any other  
7 kind to Telenet?

8 A I assume Telenet has some business lines,  
9 one of these type lines. They may have some special  
10 access or private lines as well. I understand that  
11 some are either on order or some have been provided to  
12 them.

13 Q Are these lines that would be used in  
14 connection with call-forwarding services?

15 A The business lines presumably would be, I  
16 would assume.

17 Q Would they be used in connection with any  
18 other services?

19 A Not that I know of in terms of -- but I  
20 don't know of any other business that Telenet may be  
21 operating, so --

22 Q Do you consider that BellSouth has a resale  
23 agreement with Telenet for the provision of  
24 call-forwarding services?

25 A BellSouth does not have a resale agreement

1 with Telenet for any service.

2 Q Why do you have that point of view?

3 A Because in order to have a resale agreement  
4 or any other type of agreement under either the  
5 Florida Statute or the Telecom Act of 1996, a  
6 negotiated agreement has to be processed; it has to be  
7 signed by both parties. If parties do not agree, they  
8 would then come to arbitration in front of this  
9 Commission.

10 Neither of those has occurred, so there has  
11 been no negotiations, nor has there been, therefore,  
12 any kind of agreement signed between BellSouth and  
13 Telenet.

14 Q Refer to Page 2 of your direct testimony at  
15 Lines 23 through 25.

16 A Yes.

17 Q Are you there with me?

18 A Yes, sir.

19 Q There you say, "The resale of a retail  
20 service can only be conducted after a negotiated or a  
21 negotiated/arbitrated agreement that's been reached  
22 and proved under the terms of Section 364.162 or under  
23 the provisions of the Telecommunications Act of 1996."  
24 Is that correct?

25 A That's correct, sir.



1           Q     You stated a moment ago that, if I  
2 understood you correctly -- that negotiations have not  
3 been conducted under the provisions of either the  
4 Telecommunications Act or Florida Statutes?

5           A     That's correct, sir.

6           Q     How would you characterize then -- you are  
7 aware that there have been a series of contacts  
8 between BellSouth representatives and Telenet  
9 representatives in the last year and a half or so, are  
10 you not?

11          A     Those contacts, as I understand them, have  
12 been between marketing representatives of BellSouth  
13 who would normally deal with a customer in normal  
14 day-to-day customer type arrangements. That  
15 organization, nor those people, would be qualified to  
16 conduct negotiations under either the Florida Statute  
17 or the Telecom Act of 1996. All that negotiation is  
18 done through people in Atlanta, Georgia. Contacts are  
19 always set up between individuals and not people out  
20 in the field, such as the people here in Florida who  
21 may have talked to Telenet over the last year or so.

22          Q     Tell me now what is it that would establish  
23 the qualifications of those persons qualified to  
24 conduct negotiations?

25          A     Mainly, it's a full understanding of the

1 requirements of the Telecom Act typically, because the  
2 majority of what we negotiate are under the  
3 requirements of the Act. And, therefore, the people  
4 who do that are very familiar with the Act and the  
5 requirements.

6           Similarly, when we were negotiating under  
7 the Florida Statutes prior to the Telecom Act, it was  
8 familiarity with the Florida Statutes.

9           Q     So then, what I hear you saying is that the  
10 people with whom Telenet has had contact, the  
11 BellSouth people with whom Telenet has had contact,  
12 are not people authorized to conduct negotiations  
13 under the Telecommunications Act or under the Florida  
14 Statutes; is that correct?

15           A     That's correct, sir. And they were  
16 informed -- Telenet was informed how to contact an  
17 individual or individuals within BellSouth if they  
18 wanted to conduct resale negotiations, that we'll  
19 provide a letter and a name and address to contact in  
20 that event.

21           Q     Do you happen to recall, or do you know,  
22 when that information was provided to Telenet?

23           A     Can I refer to my briefcase? If I have it  
24 with me.

25                     No, you've got it. I saw it this morning.

1 I don't know if I've got it with me or not, though.

2 Bear with us.

3 Q Sure. (Witness tendered document.)

4 A The letter is dated September 19, 1996, sent  
5 from Mr. O. G. Moore to Mr. Mitch Kupinsky of Telenet.

6 MR. BONNER: This has previously been  
7 identified as Exhibit MAK-4 --

8 MR. PELLEGRINI: Okay.

9 MR. BONNER: -- for the record to the direct  
10 testimony of Mitchell Kupinsky.

11 Q (By Mr. Pellegrini) And do I understand  
12 correctly, that is the earliest advice from BellSouth  
13 to Telenet on this point?

14 A To my knowledge, that is correct, sir.

15 Q Okay. So what you've just described is at  
16 least one reason why you consider -- how you consider  
17 the context between Telenet and BellSouth not to have  
18 constituted a negotiation, correct?

19 A Correct, sir.

20 Q Are there other factors that would lead you  
21 to that conclusion as well?

22 A Yes, sir, there is. Since February of last  
23 year when the Telecom Act -- the Federal Act was  
24 passed probably -- and this is an estimate -- 75  
25 carriers have contacted BellSouth through a variety of

1 channels. There's never been any question on anyone's  
2 mind how to contact the proper people, nor has there  
3 been any issue about communicating back with those  
4 parties as to what requirements there were for  
5 negotiation, so that BellSouth has never been  
6 difficult to reach, nor has BellSouth been difficult  
7 with a carrier in terms of finding out whom one talks  
8 to.

9           We began to get requests as early as  
10 February 8th of last year and continue to get them.  
11 So in my mind, we have been very open about our  
12 willingness to negotiate, how to operate in that  
13 process, and since that time we probably have  
14 approximately 40 agreements signed. Some -- not all  
15 of which involve Florida, but most of them do. And  
16 the other carriers are either still negotiating or  
17 have decided to wait a while. So there's never been a  
18 question of how to do this, how to get in business,  
19 etcetera. We've provided a huge amount of advice to  
20 people.

21           I've even personally told carriers to  
22 contact this Commission if they wanted certification,  
23 because obviously that's between you all and them and  
24 not us. But we have provided them even those kind of  
25 contacts to help them get into business.

1           Q     Well, help me to understand this. I don't  
2 recall precisely, but I think the initial contact  
3 between the two companies was sometime in late 1995.  
4 But certainly there were a number of contacts  
5 subsequent to the passage of the Telecommunications  
6 Act in February of 1996.

7           A     Yes. It's my understanding orders began to  
8 get processed in November, or thereabouts, of 1995.

9           Q     Yeah. Okay.

10          A     They were just in the business office.  
11 Apparently individuals calling in, like you or I may  
12 do and call in ordering service. There would have  
13 been no way for anyone to discern at that point in  
14 time, certainly the service representative or whomever  
15 answered the phone, as to the use of the service and  
16 whether it was resale or not. They were simply  
17 ordering, as I said, like you or I might call in and  
18 say I want service X or Y.

19          Q     You've anticipated my question, but let me  
20 stay with it for a moment.

21                     Why, can you explain why you would not or  
22 why your people would not have identified the  
23 necessity, I suppose, of opening a negotiation for a  
24 resale agreement in those early days?

25          A     When a customer calls in for either business

1 lines or call forwarding or both, that is a very  
2 standard typical order. We probably get thousands of  
3 those every day of the week from normal businesses  
4 operating normal businesses, not requiring  
5 certification, having nothing to do with resale. A  
6 carrier who wants to resell our services, first, was  
7 not allowed to do so until the middle of 1995 when the  
8 statute here was passed, and then it required  
9 negotiations under those terms before one could  
10 resale.

11           And there were few carriers that actually  
12 entered into negotiations with BellSouth in Florida  
13 prior to 1996. We had an agreement here in the state  
14 of Florida with several carriers. When the Telecom  
15 Act was passed in February of '96, again it was  
16 putting the world on notice, so to speak, about how  
17 that process would work through negotiations and  
18 arbitration. And again, no other carrier, as best we  
19 can tell, has any problem determining that with  
20 BellSouth.

21           Now, again, these companies still call into  
22 business offices to order services for themselves, for  
23 their own administrative use, which is fine and  
24 proper. So there's no way the nature of this order  
25 would have told the service rep that there's anything

1 unusual about it.

2 Q So I guess bottom line what you are saying  
3 is that a carrier, such as Telenet, cannot resale any  
4 of BellSouth's retail services found in your tariff  
5 unless they have negotiated -- unless they have a  
6 negotiated or a negotiated/arbitrated agreement  
7 pursuant to applicable law?

8 A That is correct, sir.

9 Q I'm still -- I want to be certain about  
10 this. I still -- notwithstanding that, perhaps  
11 Telenet, subsequent to the passage of the  
12 Telecommunications Act, ought to have taken the  
13 initiative to open a negotiation pursuant to that.  
14 I'm still not certain why it is that BellSouth might  
15 not have in those early days recognized the  
16 difficulty -- if, in fact, it was a difficulty -- and  
17 said to Telenet, Listen, if you want to pursue this  
18 venture, you must begin to negotiate a resale  
19 agreement pursuant to the Telecommunications Act.

20 A The reason being the service representatives  
21 had no idea that there was resale involved.

22 Q Would they not have recognized Telenet as a  
23 carrier --

24 A No, sir.

25 Q -- wanting to resale -- to resell --

1           A     Absolutely not.

2           Q     -- call forwarding services?

3           A     I mean, no, they would not have.

4                     Any carrier, AT&T, MCI, Sprint, Telenet can  
5 call the business office or if there are services reps  
6 to buy administrative lines. They may call up for  
7 business lines with call forwarding. It would  
8 certainly not be an unusual order for them to use for  
9 their own purposes, and that's perfectly legal. It  
10 has nothing to do with resale.

11                    A carrier who's operating in a resale mode  
12 must operate one under a certification by this  
13 Commission under a local exchange carrier or a toll  
14 carrier, and certificates are required, and what have  
15 you.

16                    We have an entirely different group, and  
17 entirely different organization that deals with  
18 carriers and deal with residence and business  
19 customers. Nevertheless, a Telenet, just like an  
20 AT&T, MCI, or anyone else, will call or contact our  
21 business offices, if you will, for their normal  
22 business services.

23                    So the name Telenet would certainly have not  
24 said you are not allowed to have business service; you  
25 certainly are. It's the use of the service that --



1 where the resale issue comes up, not that they have a  
2 line. I mean, everybody is entitled to have a line,  
3 just like you and I can.

4 Q I would take from what you've said then that  
5 it perhaps was incumbent on Telenet to make more clear  
6 than they did in those early days what their ultimate  
7 intention was. Is that fair to say?

8 A It's fair to say that if they were planning  
9 to resell under the laws of the State of Florida, they  
10 should have presented their certificate so we would  
11 have known that there was resale. We would have then  
12 said, had we known that, "You cannot resale out our  
13 current tariffs. Our tariffs do not allow resale."  
14 And it's very clear on that.

15 The only way you can enter into a resale  
16 provision of a BellSouth service today is through some  
17 sort of agreement and that will have to be negotiated.  
18 It's the same process we've used with, as I said, the  
19 75 other carriers who have called us.

20 Q Was there ever any question about the  
21 certificated status of Telenet?

22 A We had no idea they were a certificated  
23 carrier in those days. These services were being  
24 provided to them as retail customers, business  
25 customers, if you will. That's all our service rep

1 know.

2 Q Would you have recognized from the volume of  
3 requests made by anyone, not necessarily Telenet, that  
4 the requester was a carrier intending to resell?

5 A No. Because if we looked down our list of  
6 customers in the state of Florida or in any other  
7 state, probably our biggest customers are the major  
8 interexchange carriers, like AT&T. But next to that,  
9 our next largest customers are large businesses,  
10 retail businesses; Coca Cola, or a bank, or somebody  
11 like that. So the volume and the size that Telenet  
12 would have been generating in terms of orders or  
13 quantities of service, would certainly not be anything  
14 that would be typical of a carrier.

15 Secondly, carriers wouldn't be ordering this  
16 type of service. They would be ordering entirely  
17 different services if they wanted to compete with  
18 BellSouth through their local or long distance type  
19 service. Everything that was being done pointed to a  
20 resale customer without resale being involved.

21 Q That changed in September of 1996, I think.  
22 It was at that point when BellSouth recognized what,  
23 in fact -- what Telenet's intentions were?

24 A What happened apparently was that through  
25 August/September, the orders were being processed

1 through the normal business office. During that  
2 period a transition to, what we would think of as an  
3 outside account manager, someone who would come to  
4 your premises to deal with you. When that process  
5 occurred and the account manager looked at what was  
6 being provided, it became apparent to him that resale  
7 was going on and that something in violation of our  
8 tariff was going on. And that's what began the  
9 process of saying we've got a problem here.

10 Q Okay. But what transpired to cause the  
11 account to be transferred to an account manager?

12 A As I understand it, Telenet began to request  
13 services in older offices, 1A offices, and they  
14 required special assemblies which are slightly more  
15 complex. And the business office -- that's beyond  
16 what the business office would typically handle. They  
17 then transferred it and said this is a more complex  
18 customer than we typically deal with, and it was  
19 transferred. Apparently, for a very short period of  
20 time, to a group that is an inside premises group. In  
21 other words, they are more sophisticated than the  
22 service rep, but they don't come out and visit you.

23 Even they became aware when they saw the  
24 special assemblies that, again, this was beyond what  
25 they typically do, that this was an account that

1 needed to be handled by an outside account manager.  
2 But the major point is they still were dealing with it  
3 as a retail customer, they were not dealing with it as  
4 a carrier. Because to that point, they still  
5 understood this to be a retail customer using their  
6 services for normal business purposes. It was upon  
7 that gentleman looking at the account that he  
8 determined that there appeared to be some problem.

9 Q (Pause) Excuse me.

10 A That's all right.

11 Q What we'd like to get somewhat firmly  
12 established is this, Mr. Scheye, the restriction on  
13 the use of call-forwarding services derives solely  
14 from the tariff language which is in question; is that  
15 correct?

16 A And your state statutes that you cannot  
17 allow or disguise toll calls as local calls. So you  
18 have both your own tariff -- I mean, I shouldn't say  
19 that -- our tariff that explicitly talks about the  
20 application of call forwarding and local and toll, and  
21 your own Statute 364 that says you cannot -- and I'm  
22 paraphrasing, and I'm sure I'm not paraphrasing it  
23 quite correctly -- but that you cannot disguise and  
24 bypass access through the use of local calls. I think  
25 it's 364-something-16, if memory serves me right.

1           Is that right?

2           Q     You are not reliant on a Commission  
3 decision -- well, I asked you if the tariff  
4 restriction was your sole reliance, and you said yes  
5 and the statute which you've just cited. And that's  
6 the full -- let me ask you. Is that the full extent  
7 of your reliance?

8           A     Yes. And I guess in terms of resale, the  
9 Federal Act as well, which is complimentary, if you  
10 will, of the state statute.

11          Q     I guess I may be asking you to speculate --  
12 I am asking you to speculate in this next question.  
13 If Telenet and BellSouth had negotiated a resale  
14 agreement as required by the Telecommunications Act in  
15 Florida and Florida law, what would the outcome have  
16 been?

17          A     What would have likely happened if Telenet  
18 had come to BellSouth and said, "Here's what we want  
19 to do," we would have certainly allowed them to  
20 resale; that wouldn't have been an issue. When they  
21 indicated the use of the service, which would have  
22 been in violation of both the tariff and the statute,  
23 we would have said we cannot agree to that kind of  
24 negotiated agreement. They would have then had the  
25 right to arbitrate that decision to this Commission,

1 just like we've had other arbitration cases.

2 Q Would that have been your position, do you  
3 think, under any conditions?

4 A I'm sorry?

5 Q Let me see if I can put the question a  
6 little bit more clearly.

7 Would there have been a quid pro quo that  
8 would have enabled BellSouth to permit call-forwarding  
9 services without the application of the tariff  
10 restriction?

11 A No. There would have been no circumstance  
12 where we would have agreed to violate our own tariffs  
13 and the state statute in an agreement.

14 Q That tariff restriction under the Federal  
15 Act is presumptively unreasonable, is that your  
16 understanding?

17 A No, sir, it's not. The individual states,  
18 both -- the Act allows reasonable and  
19 nondiscriminatory provisions. Clearly, this is both  
20 reasonable and clearly nondiscriminatory.

21 The FCC Order allows the state commissions  
22 to make a determination of any just and reasonable  
23 restriction, user restriction, limitation, term  
24 condition, whichever term you like.

25 I believe this one is even beyond that. We

1 are talking about the fundamental nature of the  
2 service. It's not really a tariff restriction as much  
3 as that which embodies the service. So whichever way  
4 you'd like to describe it, clearly it's within the  
5 authority of this Commission, under both the Telecom  
6 Act of 1996, your own 364 Statute and the FCC's Orders  
7 on these issues in this area to have the jurisdiction.  
8 There's no question about that.

9 Q You are familiar with the Commission's  
10 decision concerning grandfathered services in Docket  
11 960833, are you not?

12 A Yes.

13 Q Do you see an analogy or an application of  
14 the Commission's rationale concerning grandfathered  
15 services to this instance of the use of  
16 call-forwarding services to Telenet?

17 A No, sir, I don't. Because unlike -- in the  
18 grandfathering decision, we were not running up  
19 against questions of state statute and state  
20 requirements, nor were we running up into the  
21 fundamental nature of the service. The only thing the  
22 Commission did in that proceeding on grandfathered  
23 services was indicate that to the extent there was a  
24 grandfathered service and a competitor wanted to  
25 provide that service, comparably they would be allowed

1 to do that on a resale basis. There they were trying  
2 to deal with an issue of discrimination between what  
3 BellSouth could do with its end users and what a  
4 resaler could do.

5 In this case, there is no such issue. What  
6 we are saying about the nature of these with call  
7 forwarding is identical to the way we apply it to our  
8 own end users, so there's clearly no case of  
9 discrimination. Secondly, the issue with  
10 grandfathered services has nothing to do with the  
11 requirements of 364.

12 Q I want to come back to the distinction that  
13 you make between the nature of -- between the  
14 tariff -- the distinction you make that the tariff  
15 restriction may simply be a statement of the nature of  
16 the service rather than, I guess, a restriction. I  
17 want to explore that with you later.

18 But I'm a little bit confused about your  
19 interpretation of what the FCC has had to say about  
20 restrictions on resale agreements. I think the FCC  
21 has been quite clear that such conditions are  
22 presumptively unreasonable and that the burden rests  
23 on the ILEC to demonstrate the reasonableness of such  
24 restrictions. Would you agree with that?

25 MS. WHITE: Well, I'm not going to object to



1 the question, but I want to make it clear and on the  
2 record that Mr. Scheye is not an attorney.

3 MR. PELLEGRINI: I understand.

4 MS. WHITE: He is giving his considered  
5 opinion for whatever weight that is worth, but as a  
6 nonattorney.

7 MR. PELLEGRINI: I'm looking for a layman's  
8 interpretation, yes.

9 WITNESS SCHEYE: A layman's interpretation  
10 says the FCC Order gives the state the discretion to  
11 determine just and reasonable restrictions, if you  
12 want to use that term. This issue has been arbitrated  
13 not only in the State of Florida, but the State of  
14 Georgia, North Carolina, Alabama, Louisiana, Tennessee  
15 and Kentucky; and with the exception of the State of  
16 Florida, every other state commission has determined  
17 that all the rates, terms and conditions in our  
18 tariffs are applicable in a resale mode.

19 They have determined that they are just and  
20 reasonable in that form and in that fashion. So that  
21 it is clearly the discretion of the state commission  
22 to make that determination. There is no question, or  
23 there should be no issue, at least in the BellSouth  
24 region of those types of decisions being made.

25 Q Again, as a layman in the state of Florida,

1 would you see a problem with this Commission requiring  
2 BellSouth to demonstrate the reasonableness of this  
3 provision -- of this restriction?

4       A     Well, I think we have. One, our proof is:  
5 Is it just and reasonable and nondiscriminatory? It  
6 is clearly nondiscriminatory. It applies to everyone  
7 in the same way.

8             Is it just and reasonable? Now, one can  
9 apply a variety of standards. But requiring BellSouth  
10 to provide a service in potential conflict with a  
11 state statute, I think is unjust and unreasonable, and  
12 I think that's the position this Commission would be  
13 putting us in if they allowed this type of situation  
14 to continue.

15            The state statute is very, very clear. Our  
16 tariff is very clear. There was no question as to the  
17 nature of the service offering that Telenet was  
18 purchasing. There was no ambiguity in our tariffs  
19 about that, so we believe that it is clear on the  
20 surface, to the extent that to apply it now after  
21 Telenet has used it since November, yet they saw in  
22 our tariffs, if they read it, what the use and user  
23 requirements were of that service.

24            And as I said, I don't even believe it's a  
25 service restriction. It is the nature of that service

1 that says you cannot bypass toll charges through the  
2 use of it. That's a fundamental component of that  
3 service. That's not saying you can't use it after  
4 2:00 in the afternoon; or you can't make calls for  
5 illegal purposes, which we generally think of as  
6 restrictions to our services. It is a fundamental  
7 component of that service. It is clearly stated in  
8 our tariffs. There is no ambiguity about that, and it  
9 is consistent with the state statutes.

10 Q Let's talk about this for a moment. I hear  
11 what you are saying, but I'm still -- it seems to me  
12 there is a fine line between a restriction -- between  
13 language which represents a restriction and language  
14 which represents a description of the nature of the  
15 service.

16 I mean, it seems to me that the language  
17 that's in issue here is, in fact, a condition or a  
18 restriction. But you tell me, why do you think it's  
19 more in the way of describing the nature of the  
20 services rather than limiting that service?

21 A I would agree with you; it is a fine line  
22 difference. And I believe it's fundamental of the  
23 nature of the service because it just simply states  
24 it. This service is used in this fashion, and you  
25 cannot bypass toll services by it. It's just

1 descriptive of the nature of the service.

2           Now, if it were a restriction, or user  
3 restriction, if we want to call it that, which could  
4 be on the other sides of that line -- and I agree it's  
5 pretty close looking at it either way -- nevertheless,  
6 it is still within the purview of this Commission to  
7 allow just and reasonable, quote, restrictions like  
8 that. So there's no issue that this Commission has  
9 full authority to do that. And as a matter of fact, I  
10 don't know how this Commission can't do it in the  
11 light of the 364 Statute that says you cannot use  
12 services to bypass or to disguise toll services as  
13 local.

14           So, I mean, that's effectively what's going  
15 on here. I don't think BellSouth can be put in a  
16 position of violating the state statute for a tariff.

17           Q     So whether it's one or the other, you are  
18 saying that the Commission is really in the same  
19 position?

20           A     I believe so. It's just a matter of which  
21 part of their authority they asserted. Whether it  
22 came into the issue, just and reasonable, from the FCC  
23 Order and the Telecom Act, or whether they say it's  
24 part of the service. I mean, either way, I think you  
25 can draw the same conclusion.

1 Q Okay. I've gone a little bit off course, so  
2 I'm going to try to make my way back.

3 Turn please, Mr. Scheye, to Page 4 of your  
4 direct testimony. There at the bottom of the page,  
5 Line 24, 25. Are you with me?

6 A Yes, sir.

7 Q You state that call forwarding variable  
8 multipath provides the capability to specify the  
9 number of calling paths that can be forwarded  
10 simultaneously, correct?

11 A Yes.

12 Q Could you give us an example of how a  
13 customer might use this service?

14 A I think a typical example would be if I run  
15 a small business and I pick a number with 10 lines in  
16 it and I close up at night, but I want the calls  
17 referred to my home because I'm a -- let's say I'm a  
18 plumber. I don't know want to miss the calls. So I  
19 may have six or seven paths because I anticipate  
20 possibly six or seven people calling me at night. So  
21 I've got that many lines at home equipped to take  
22 those calls. It might be simply a referral from my  
23 business to my home after hours.

24 Q Okay. Turn next to Page 7 if you would,  
25 please?

1           A     Page 7?

2           Q     Yes, please. Still with your direct  
3 testimony. And turn your attention to Lines 12  
4 through 17 where basically you state that -- well,  
5 maybe we've covered this ground. Yeah. Excuse me, we  
6 have covered this ground. You can stay there, though,  
7 if you like. (Laughter)

8           A     It's a good place to be. Got to be  
9 someplace.

10          Q     Do you know when this particular tariff  
11 provision was first approved by this Commission?

12          A     No, I do not. I'm assuming it was in there  
13 from the initial date when call forwarding became  
14 effective in the state of Florida, which I have to  
15 suspect was many years ago. But I don't have a  
16 specific dates. We can probably find that for you.

17          Q     Well, that's not terribly important. But  
18 would you agree with me that it was approved in the  
19 days prior to the passage of the Telecommunications  
20 Act and even of the revision, the present revision, to  
21 Chapter 364?

22          A     Oh, most assuredly.

23          Q     At one point in your -- in fact, in your  
24 rebuttal testimony on Page 4 -- turn there. Lines 15  
25 and 16.

1           MR. BONNER: I'm sorry, which page was that,  
2 Mr. Pellegrini?

3           MR. PELLEGRINI: Page 4 of Mr. Scheye's  
4 rebuttal testimony.

5           Q        (By Mr. Pellegrini) There you say, "This  
6 description and requirement was deemed reasonable when  
7 the tariff was proved." Do you see that?

8           A        Yes.

9           Q        Now, that determination was made in a very  
10 different era than the present one, correct?

11          A        It was made in a different era in terms of  
12 the level of competition or the state of -- the law in  
13 the State of Florida and the federal law. However, I  
14 don't think the basis upon which the determination of  
15 whether this was reasonable or unreasonable has  
16 changed one bit. This is the nature of the service.  
17 If the service didn't say that, we would probably have  
18 an entirely different rate structure in there, an  
19 entirely different service in there.

20                    So I don't believe the conditions today,  
21 versus whenever this occurred, were any different for  
22 determining the assessment of reasonableness of that  
23 tariff provision.

24          Q        Let me be sure I understand what you've  
25 said. Is this a fair paraphrasing of that? Are you

1 saying that necessarily this tariff restriction  
2 continues to be reasonable in this era of -- in this  
3 procompetitive era?

4       A     If anything, yes, it is certainly still  
5 reasonable. If anything, it is more reasonable. And  
6 the reason I say that is now, as opposed to several  
7 years ago when this provision was adopted, there are  
8 other alternatives for providing intraLATA toll. You  
9 can resell BellSouth services. You can resell the  
10 services of AT&T, MCI, Sprint, anyone who is providing  
11 service in the state of Florida.

12               So to the extent there may have been an  
13 issue with this particular type of provision, it would  
14 have been much more applicable in the day prior to the  
15 current environment than it is today. Because there  
16 are ample opportunities out there today for people to  
17 compete with BellSouth for the resale of long distance  
18 services using normal means. And what I mean by that  
19 is what everybody else is doing.

20               So to the extent -- once upon a time, maybe  
21 this was the only way to do it. Clearly, that's not  
22 the case any longer.

23       Q     "To do it" meaning what Telenet wants to do?

24       A     To resale and create their own intraLATA  
25 toll service.



1 Q Do you have Mr. Kupinsky's direct testimony  
2 with you?

3 A Let's see. January 8th; is that correct?

4 MS. WHITE: Yes.

5 Q (By Mr. Pellegrini) Let me ask you to turn  
6 to Page 3 of Mr. Kupinsky's direct testimony. At the  
7 bottom, Line 18, and then turning to Page 4, Lines 1  
8 through 3.

9 A I'm sorry, Page 3, Line 18?

10 Q Yeah. The last line.

11 A "This is accomplished by"?

12 Q I'm sorry?

13 A The words, "This is accomplished by," is  
14 that where we are?

15 Q Well, yes.

16 A Okay.

17 Q There Mr. Kupinsky states that customers are  
18 provided service by utilizing forwarding lines to  
19 create direct connections between each IVR switching  
20 system which route calls between each other. Do you  
21 see that?

22 A Yes, sir.

23 Q What do you understand an IVR system to be?  
24 Is it, for example, a stand-alone switch in actuality?

25 A It certainly is not a switch by the

1 definition that a telephone company would use for a  
2 switch.

3 Q Explain that, please.

4 A BellSouth, as well as any other local  
5 exchange carrier, when we install a switch, it has an  
6 NXX code in it or several other codes that designate  
7 the area and the calling arrangement for that  
8 particular office or that particular location that's  
9 served from it. Each of those switch ports have a  
10 line associated with them when someone has a service,  
11 et cetera. And that's what we typically designate as  
12 a switch.

13 You can have higher switches that do toll  
14 switching, and what have you. But for a telephone  
15 company, typically our switches provide dial tone,  
16 have a telephone number, they give you the routing  
17 capability to make local and toll calls, and those  
18 types of things.

19 I don't know exactly the term "IVR," but I  
20 would doubt it would need to have that level of  
21 capability since all it seems to be doing is moving  
22 the call from one location to another based on some  
23 sort of look-up, it would appear.

24 Q Are you personally familiar with IVRs?

25 A No, sir. I'd never heard the term before.

1 Q Then I think what you are saying is that it  
2 simply is technical equipment that performs detailed  
3 routing functions?

4 A That's what it would appear to be, yes, sir.  
5 And again, I don't claim any expertise in that  
6 particular kind of hardware or software.

7 Q Do you happen to know how many of these  
8 systems, IVR systems, Telenet has in its network?

9 A Only from their diagram that they attached,  
10 I believe, to Mr. Kupinsky's direct or rebuttal  
11 which -- and there seem to be several of them on  
12 there.

13 Q That would be MAK-1; is that correct?

14 A That's what it looks like. According to  
15 this there were five of them or are five of them.

16 MS. WHITE: Yes, MAK-1.

17 Q (By Mr. Pellegrini) Do you know what other  
18 types of facilities Telenet has?

19 A Other than as I've mentioned, sir, I believe  
20 they have some business lines. Other than that, I  
21 don't know.

22 Q Staying with Mr. Kupinsky's direct  
23 testimony, turning back to Page 3 at Line 15, there  
24 Mr. Kupinsky says, "Since May 1996, Telenet has  
25 offered local exchange services in competition with

1 BellSouth." You see that?

2 A Yes, sir.

3 Q Do you know what Mr. Kupinsky means by that?  
4 What local exchange services?

5 A As far as I can tell, one, Telenet does not  
6 provide local exchange service because the nature of  
7 what they are doing is toll service. And, two, based  
8 on my understanding of rates and terms that Telenet  
9 offers in the state of Florida, they do not offer  
10 local exchange service and do not hold themselves out  
11 as offering local exchange service.

12 Q Then the extent of competitive services  
13 would be -- of Telenet's competitive services would be  
14 the resale of call-forwarding services; is that  
15 correct?

16 A No, sir. It would be competing for  
17 intraLATA toll with BellSouth, AT&T, MCI, anyone else  
18 who is providing that service today in the state of  
19 Florida.

20 Q Do you believe that Telenet is reselling  
21 extended calling service within an ECS area?

22 A No, sir. As far as I know, they are not.  
23 They are bypassing that as well, which is a form of  
24 toll. So they are effectively bypassing ECS which is  
25 a form of toll service.

1 Q Bypassing ECS entirely?

2 A That's my understanding, sir. Based on the  
3 diagrams they provided, they are only providing  
4 service that's within their local calling area where  
5 ECS would not apply.

6 Q To be sure, do you believe them to be  
7 reselling ECS outside of an ECS area?

8 A I don't believe they are reselling ECS. As  
9 far as I can tell, they are reselling business lines  
10 and predominantly call forwarding in violation of our  
11 tariff and doing it in a manner that's bypassing toll.  
12 That's the only thing I know that they're reselling.  
13 If there's something else they are doing, I'm not  
14 aware of it.

15 Q Changing the nature of my prior question to  
16 a general question, would you believe it to be  
17 appropriate for anyone to resell ECS either within or  
18 without an ECS area?

19 A You can resell ECS, yes, sir, within the  
20 area where it is provided with a resale discount, as a  
21 matter of fact, if you have an agreement with  
22 BellSouth and you are certified by this Commission.

23 Q Do you have agreements of that kind with  
24 other telecommunications carriers?

25 A Probably about 30 of them right now that

1 apply in the state of Florida that have those  
2 provisions in there. I don't know. Certainly they're  
3 not all operational within the State of Florida, but  
4 there's at least that many, if not more, who are  
5 capable of doing that today in the state of Florida.

6 Q Let me turn you now to your direct  
7 testimony, Page 5. There on Page 6 you lay out an  
8 example of Telenet's application of call forwarding,  
9 correct?

10 A Yes, sir.

11 Q Okay. And this example deals with a call  
12 that originates in West Palm Beach and terminates in  
13 Miami, is that true?

14 A Yes, sir, the example that we used. It  
15 looks to be very similar in terms of concept to the  
16 diagram that Mr. Kupinsky provided where your call  
17 goes from point to point to point to point to get from  
18 one end to the other. So it would appear to be at  
19 least comparable to what Mr. Kupinsky showed in his  
20 diagrams.

21 Q What would you understand the Telenet  
22 customer to pay Telenet for this call?

23 A From what I understand, it's 10 cents a  
24 message.

25 Q Does a Telenet customer pay BellSouth

1 anything for this call?

2 A No, they do not.

3 Q Does Telenet pay BellSouth anything for this  
4 call?

5 A Nothing beyond the call-forwarding fee which  
6 was not -- that they had bought the call forwarding  
7 service from us. But they don't pay for that  
8 particular call. They do nothing. They pay us  
9 nothing.

10 Q They pay you a monthly recurring charge; is  
11 that correct?

12 A Yes. Call forwarding, yes, sir.

13 Q If a customer were to make that same call in  
14 BellSouth's network, what would the charge be to that  
15 customer?

16 A If it was an ECS call, I understand that's  
17 25 cents a message. If it was an intraLATA toll call,  
18 it would depend on the length of the call and the  
19 distance.

20 Q It could be either of those, is that --

21 A Yes. In the particular area where I  
22 understand Telenet operates, some of those routes are  
23 ECS where they are 25 cents a message. Others are  
24 intraLATA toll which have a use of -- a more usage  
25 sensitive per minute charge.

1 Q Sure. But, specifically, a call from West  
2 Palm Beach to Miami.

3 A Now, you are going to test my expertise. I  
4 don't know if West Palm -- I believe that is an  
5 intraLATA toll call, as opposed to ECS, but --

6 Q It is intraLATA.

7 A Oh, okay. Then I guessed correctly.

8 Q Would this be an accurate description of  
9 what Telenet appears to be doing? That is, they  
10 appear to be patching a number of ECSs together  
11 end-to-end in order to avoid intraLATA toll charges?

12 A I would say that's close. My understanding  
13 is it's not ECS that they're patching together; it's  
14 actually the local flat rate because ECS would have a  
15 usage charge with it, the 25 cents.

16 So if I took your description and said they  
17 are patching together local calling areas in order to  
18 accomplish toll, then I think that would be my  
19 understanding of what they're doing.

20 Q Turn to Page 8 please of your direct  
21 testimony.

22 A Direct.

23 Q At Line 15, you say that BellSouth has  
24 offerings available for resale for intraLATA toll  
25 calling. Do you see that?



1           **A**     Yes, sir.

2           **Q**     Explain. Can you explain what those  
3 offerings are, please, Mr. Scheye?

4           **A**     We have for example -- again, we talk about  
5 ECS which is a form of toll. We have standard  
6 intraLATA toll, and we have intraLATA WATS type  
7 services, all of which are available for resale.

8           **MR. BONNER:** Can you read back that answer,  
9 please?

10                   Do you mind?

11           **MR. PELLEGRINI:** Not at all.

12                   (Thereupon, the question and answer  
13 appearing on Page 41, Lines 2 through 7, was read back  
14 by the reporter.)

15           **MR. PELLEGRINI:** All set, Mr. Bonner?

16           **MR. BONNER:** Yes, thanks. I apologize.

17           **Q**     (By Mr. Pellegrini) Let me ask you to do  
18 this, Mr. Scheye, if you can. Let's take each one of  
19 these options one at a time. Can you give me an idea,  
20 at least in the general sense -- compare each one, at  
21 least in the general sense, to call-forwarding  
22 service, call-forwarding service as Telenet apparently  
23 intends to use it.

24           **A**     Well, I think all are the same in the sense  
25 of the difference. ECS is a form of rate or service

1 that applies between particular exchanges in the state  
2 of Florida. And there is a flat fee per message, for  
3 example, I believe it's 25 cents.

4           IntraLATA toll is a more usage-sensitive  
5 distance-sensitive schedule and applies to every call  
6 within a LATA that is not local, nor is it ECS. So  
7 it's a standard intraLATA toll call. So if you call  
8 from here to -- and I won't even guess where a toll  
9 call is, but within the LATA, the Tallahassee LATA, if  
10 you made a call from here to Orlando -- if Orlando is  
11 in this LATA.

12           MR. BONNER: I don't think so.

13           WITNESS SCHEYE: Geography is not my strong  
14 suit. Some location outside the local calling area of  
15 Tallahassee would be an intraLATA toll call.

16           The third example is WATS, is simply a  
17 comparable service, but the fee is typically for  
18 higher volume customers. It's a discounted form of  
19 it.

20           Q     But what would Telenet's obligation be to  
21 BellSouth in each one of these instances? What would  
22 it pay BellSouth for resale of each one of these  
23 services?

24           A     If it bought any of those three services or  
25 all three of those services, assuming it had an

1 agreement with BellSouth, it would pay the retail  
2 price minus a discount, a resale or avoided cost  
3 discount that this Commission has determined in  
4 arbitration cases. If memory serves me right, right  
5 now it's 17 and a fraction for business and 20 and a  
6 fraction for residence. And that's what everyone else  
7 in the state of Florida is doing who wants to resell  
8 our services.

9 Q Okay. Your rebuttal testimony now,  
10 Mr. Scheye. Page 4, Lines 22 through 25 continuing on  
11 Page 5, first two lines. Take a moment to read that.

12 A Yes, sir.

13 Q Okay. You state there that call forwarding  
14 is a custom calling feature which can be used by  
15 resellers to enhance their own offerings of local  
16 exchange service; is that correct?

17 A Yes, sir.

18 Q And what do you mean? What are some typical  
19 ways that a reseller would use call forwarding to  
20 enhance their own offerings in the local exchange  
21 service?

22 A Basically, they would be directly competing  
23 with us, with BellSouth, for the provision of local  
24 service. In other words, say today if you lived in  
25 BellSouth's territory, you may have purchased service

1 from us including call forwarding. A competitor of  
2 ours, a reseller of ours, may want to come to you to  
3 make you a, quote, better deal and offer you  
4 BellSouth's service on a resale basis including call  
5 forwarding.

6 In other words, to be able to match the same  
7 offering we have, they may want to give it to you at a  
8 better price, they might want to throw in frequent  
9 flyer miles or something to entice you to go with  
10 them. But in order to fulfill the service offering,  
11 just like we do, they offer you as a part of the  
12 service custom calling features such as call  
13 forwarding in the same manner we do.

14 Q You go on there to say that BellSouth's end  
15 users and resellers who purchase the tariff service  
16 are subject to the service capabilities, correct?

17 A Yes, sir.

18 Q And then still further, you say, "It cannot  
19 be anticompetitive because there are multiple  
20 alternative options for resellers to use for  
21 developing competitive services," correct?

22 A Yes, sir.

23 Q Those alternatives, I presume, are the ones  
24 that you've just described, the ECS standard intraLATA  
25 toll, WATS; or are you talking about something

1 different here?

2           A     In this case, certainly those from  
3 BellSouth, but also services from other interexchange  
4 carriers who provide intraLATA services: AT&T, MCI,  
5 Sprint, Sprint. And I'm sure there's many, many more  
6 in the State of Florida who provide intraLATA  
7 competitive services.

8           Q     I'm not sure that this is a question that  
9 you can answer, but let me see.

10          A     Okay. Give it a try.

11          Q     If this Commission were to uphold this  
12 tariff restriction as a reasonable one --

13          A     Yes.

14          Q     -- of these available alternatives, is there  
15 one of them or are there some of them that would put  
16 Telenet in somewhat of a similar, not similar -- put  
17 Telenet in a comparable situation?

18          A     I'm sorry. I'm not following the question.

19          Q     That's because it wasn't a good question as  
20 phrased. But what I'm trying to get at is suppose  
21 that for a moment that this Commission rules that  
22 Telenet cannot continue to provide call-forwarding  
23 services as it plans to do so.

24          A     Okay. It's good so far.

25          Q     Is there an alternative that would give

1 them, I guess, the same market access?

2       A     With that, knowing -- and I'm giving an  
3 opinion.

4       Q     I know.

5       A     Telenet obviously knows its business case  
6 better than I do. I would think they we operate, or  
7 could operate, like many many other toll resellers.  
8 And typically what a smaller toll reseller will do who  
9 doesn't -- "smaller" meaning they don't have their own  
10 facilities -- they will buy a WATS or volume-type  
11 service either from BellSouth, or as I said, a  
12 comparable service from AT&T or MCI or Sprint or LDDS,  
13 and so forth.

14               In other words, they would buy a facility  
15 offering from one of those carriers and then simply  
16 resell that offering. That's done today in the  
17 intraLATA market by literally 300 or 400 carriers, if  
18 not more around the country, and I'm sure some  
19 relatively large number in the state of Florida for  
20 both interLATA and now intraLATA toll. So there's  
21 many many options out there that people are, in fact,  
22 using.

23       Q     Yeah, okay. But let me put it this way. Is  
24 the way in which Telenet proposes to use  
25 call-forwarding services, does that represent, as far

1 as you can know -- does that represent the maximum  
2 advantage for Telenet? I mean in terms of market  
3 access revenue.

4 MS. WHITE: I'm going to object just to say  
5 a point that Mr. Scheye is not employed by Telenet,  
6 does not know everything there is to know about  
7 Telenet's business and financial background. But to  
8 the extent you want him to speculate, he can do it,  
9 but on the understanding that it's pure speculation.

10 MR. PELLEGRINI: I understand speculation.  
11 I recognize all of those limitations.

12 WITNESS SCHEYE: Based on my experience in  
13 the business and as Ms. White said, without my  
14 understanding of what Telenet's financials look like  
15 or what their net worth capabilities look like, it  
16 would tell me that they are operating at a very  
17 uneconomical fashion right now, that there's a much  
18 more effective and cheaper way to operate now.  
19 Because everybody else operates differently, that's  
20 the only basis I have.

21 I know how other carriers operate in a  
22 resale mode, and this is not the method they pick. So  
23 I would have to assume that all those other carriers  
24 have assessed all the options and have determined that  
25 there's another way to do it that's more effective.

1           Now, I can't speak specifically for  
2 Telenet's operations, marketing plans, etcetera, so  
3 that may not apply to them.

4           Q     I'd like to turn your attention now,  
5 Mr. Scheye, to Chapter 364. 364.16(3)(A)  
6 specifically.

7           A     364.16 --

8           Q     (3)(A).

9           A     (3)(A). Okay.

10          Q     There it's stated that no local exchange  
11 telecommunications company or ALEC shall knowingly  
12 deliver traffic for which terminating access service  
13 charges would otherwise apply through a local  
14 interconnection arrangement without paying the  
15 appropriate charges for terminating access service.

16          A     Yes, sir. This is the part I was  
17 inarticulate about earlier.

18          Q     Do you believe that Telenet is bound by this  
19 provision?

20          A     They operate in the state of Florida. I  
21 believe we are all bound by the law of the State of  
22 Florida.

23          Q     The basis for that, I assume, is that  
24 Telenet is certificated as an ALEC?

25          A     Yes, that's my understanding. If they were



1 not certificated, there wouldn't even be an issue. In  
2 other words, they can't provide service in the state  
3 of Florida, so in order to come under this at all,  
4 they must be certified as a carrier.

5 Q Again, as a layman, the phrase "through a  
6 local interconnection arrangement," do you consider  
7 that Telenet and BellSouth have a local  
8 interconnection arrangement in some sense?

9 A I believe in the broad sense, yes, we have.  
10 There is connection, if you will. Not in the fullest  
11 sense that we may have with a full facility-based  
12 carrier who has their own complete network, but  
13 clearly from the intent of this and the arrangement,  
14 yes, I believe local interconnection arrangement is  
15 applicable to the description of the overall services.

16 Q The fact that Telenet has purchased B1 lines  
17 from BellSouth, is that evidence of a local  
18 interconnection agreement -- I'm sorry, arrangement?

19 A I think the combination of the B1 lines, the  
20 call forwarding and their network, we'll call it the  
21 IVR, is an arrangement whereby our network is sort of  
22 talking to theirs, if you will. Now most of the  
23 physical network is BellSouth's obviously, but they  
24 are interposing their equipment in there for -- let's  
25 call it switching purposes in at least one sense. And

1 that kind of form and substance is what we typically  
2 think of as local interconnection.

3 Q Telenet, does Telenet currently pay any  
4 access charges to BellSouth?

5 A No, sir, they do not.

6 Q Would you then believe that Telenet is in  
7 violation of the Florida Statutes by utilizing  
8 multipath call forwarding to provide what would  
9 normally be toll service?

10 MR. BONNER: Objection. This calls for a  
11 legal conclusion which this witness is not qualified  
12 to give. That's an objection for the record.

13 MR. PELLEGRINI: I believe the witness can  
14 answer the question on the basis of his layman  
15 understanding of the statute.

16 WITNESS SCHEYE: I think the answer to that  
17 question is, absolutely they're violating it, in  
18 addition to our tariffs.

19 Q (By Mr. Pellegrini) In your rebuttal  
20 testimony, Mr. Scheye, on Page 8 at Lines 8 through 11  
21 where you say, "As such, the certification from this  
22 Commission for this type of service should be that of  
23 an interexchange carrier," meaning, I think, that  
24 Telenet ought to be certificated as an IXC; is that  
25 correct?

1           **A**     Yes, based on the services they are  
2 currently providing.

3           **Q**     If Telenet were certificated as an IXC,  
4 would they be misusing call-forwarding services in the  
5 manner they presently use that service?

6           **A**     Absolutely, because that's a local service  
7 and is to be used in conjunction with local service,  
8 and they would be -- then I don't think there would be  
9 any question about it because there, as a toll  
10 provider, they have to provide toll services, they  
11 have to pay either access or resold toll. I don't  
12 think there's any question.

13                   And call forwarding is a local service to be  
14 used in conjunction with local lines. To me, there  
15 would be no question about it at that point.

16           **Q**     Just a few more questions. Let me turn you  
17 back to your direct testimony at Page 10, Lines --  
18 well 7 and 8 -- 6, 7, and 8, where you talk about  
19 Telenet's use of call forwarding would generate  
20 traffic over facilities that are apparently not  
21 engineered for that volume of traffic.

22           **A**     Yes, sir.

23           **Q**     And what is the basis of that statement?

24           **A**     The way we engineer our networks, and  
25 probably for the last hundred years they have been

1 engineered in this fashion. We try to minimize the  
2 number of switch occurrences that a call has to go  
3 through. One, it's more efficient to do that; and  
4 two, it keeps the delay down.

5           So if you make a call, again an intraLATA or  
6 interLATA toll call, typically you'll go from your  
7 central office where a dial tone is provided. You may  
8 go to an intermediate switch, a tandem switch, and  
9 then you'll terminate at the other end. So that there  
10 is a toll switch in the middle which is sitting there  
11 specifically for the purpose of sort of guiding those  
12 calls around. It's gotten it out of the local office  
13 and then it terminates it. It will never go through  
14 more than one local office.

15           In this case, if you look at the diagram  
16 that Mr. Kupinsky provided, he's gone through 4 or 5  
17 or 6 local offices. That number of switching  
18 occurrences will occur every time one of these calls  
19 is placed, while typically a call such as that should  
20 have one local switch at the originating end, one at  
21 the terminating end, and maybe a toll switch in the  
22 middle to guide it.

23           So our local switches are not intended to  
24 make that type of use, or they're not engineered for  
25 that purpose.

1 Q Would they be placed in jeopardy?

2 A It would depend on the volume. Certainly,  
3 if the volume of this grew, what would happen is we  
4 would not be able to provide as many local lines out  
5 of that office because our switching would be being  
6 used for this. We would then have to add switching or  
7 add capacity to accommodate this type of thing.

8 Depending on how extreme you take it, if we  
9 converted our entire network and said no one is making  
10 toll calls anymore and everybody's using this  
11 arrangement, we would have to reengineer our entire  
12 network, and parts of it would be sitting there  
13 dormant. No one would be using it, so it could have a  
14 very large affect ultimately on the network  
15 configuration.

16 Q On that same page near the bottom on Lines  
17 21 through 25, and particularly where you say,  
18 "BellSouth would need to modify the price  
19 significantly to recognize that it had become a toll  
20 and access substitute." Do you see that?

21 A Yes, sir.

22 Q Can you fill in what you mean by "modify the  
23 price significantly"?

24 A We would have to do one of two things -- and  
25 maybe there's other options. Either we would have to

1 increase the price of call forwarding dramatically to  
2 recognize that it is now being used as a toll bypass  
3 alternative. Or, two, we would have to add a usage  
4 charge too to service on top of the flat rate. It  
5 would somehow replicate an average toll rate, on the  
6 assumption that X% of these calls are toll equivalent  
7 to again make up the difference between the toll  
8 losses and access losses and the basic call-forwarding  
9 rate.

10           So, in general, there would be some form of  
11 rate increase applied to recognize this bypass.

12       Q     Can you supply numbers or factors?

13       A     How much would it go up?

14       Q     Yes.

15       A     I would have to guess if this became fairly  
16 prevalent, the answer is, given the network  
17 implications, given the toll bypass implications, I  
18 would have to say the price would go up substantially.

19           What does that mean? I would guess -- this  
20 is right off the top -- at least double the rate if  
21 not more.

22       Q     If Telenet and BellSouth at this juncture  
23 were to agree to begin negotiations for a resale  
24 agreement, would -- if you know or if you can say --  
25 would BellSouth be inclined to permit the status quo

1 to continue through the course of those negotiations?

2       A     No, sir, we would not. It's in violation of  
3 the law and our tariffs. And we would not knowingly  
4 allow that to occur.

5       Q     That's going on at the moment, isn't it?

6       A     It's going on based on, as I understand it,  
7 the agreement between Telenet and BellSouth and an  
8 understanding/recognition that this arbitration  
9 proceeding was going on.

10           Presumably at the conclusion of this  
11 arbitration proceeding, we'll have an order from this  
12 Commission as to whether this is allowed or not  
13 allowed or how to deal with it. And then everybody  
14 can take whatever courses of action. But that was an  
15 agreement that I guess was done to try not to be as  
16 disruptive, if you will, to the parties while this  
17 proceeding was going on.

18       Q     But suppose for the sake of -- well, I don't  
19 know for what sake. But just suppose everybody says  
20 today, okay, fine, let's set aside -- Telenet  
21 withdraws its petition and says, okay, let's sit down  
22 and work this thing out; we understand now better  
23 what -- I won't say that.

24           Let's just presume that there is an  
25 agreement today between the parties to sit down and

1 try to reach a resale agreement. Are you telling me  
2 that BellSouth would discontinue the present service?

3 A Let me try it this way. I mean, from our  
4 practical standpoint. I don't want to put these  
5 people out of business, but I do want the laws of the  
6 State of Florida to be upheld, and I want my tariffs  
7 to be upheld.

8 We know that this Commission has a finite  
9 amount of time to decide an arbitration case. I  
10 believe it's 60 days from the date the arbitration was  
11 submitted. And honestly, I can't recall what that  
12 date is.

13 Q It's more than that, but it's all right.

14 A It's either 60 or --

15 MR. PELLEGRINI: 120.

16 MR. BONNER: 120.

17 WITNESS SCHEYE: -- 120 under the state law.

18 It's my understand that at least the  
19 agreement we have with Telenet -- well, the business  
20 will continue as it is until this decision is made and  
21 then runs at least until whatever that 120th day is.

22 From a practical matter I think we are in  
23 the situation now that says we can certainly initiate  
24 further discussions further negotiations. But I think  
25 we all have to recognize that when the 120th day hits,



1 that's it. In other words, the decision is what it  
2 is, and we all abide by it or move forward for another  
3 legal action obviously. But from a practical  
4 standpoint, I don't believe there is anything standing  
5 in the way of a party sitting down and negotiating  
6 while this action is going on.

7           We've done that with other carriers during  
8 arbitration proceedings and resolved issues. We've  
9 had arbitration issues withdrawn because the parties  
10 have reached agreements, so there's nothing standing  
11 in the way of that right now, nor is there any further  
12 continuation needed since there is a finite period of  
13 time by which this must be decided in.

14           Q     And, of course, we would be delighted if  
15 negotiations would resume -- or begin.

16           I think we've run the course, Mr. Scheye.  
17 Thank you.

18           WITNESS SCHEYE: Thank you, sir.

19           MS. WHITE: Do you mind if we have a short  
20 break before you begin?

21           MR. BONNER: No.

22           (Brief recess.)

23           - - - - -

24           EXAMINATION

25           BY MR. BONNER:

1           Q     Mr. Scheye, good morning. I'm Doug Bonner  
2 representing petitioner Telenet of South Florida in  
3 this proceeding. It for any reason you don't  
4 understand any of my questions, feel free to ask me to  
5 repeat it and I'll be happy to do so. If you don't  
6 ask me to repeat or rephrase a question, I'll assume  
7 you understood it. Is that fair?

8           A     Yes.

9           Q     Could you tell us what "strategic  
10 management" means? Is that essentially the regulatory  
11 department of BellSouth?

12          A     No, it's not in the regulatory department.  
13 It's an independent organization that does basic  
14 planning associated with things such as the Telecom  
15 Act, or the Florida Act. We also participate in some  
16 of the negotiations in arbitration cases.

17          Q     So, as I understand it, strategic management  
18 is an arm of BellSouth that analyzes policy or  
19 competitive issues that have arisen or are under the  
20 Telecommunications Act of 1996, or the similar Florida  
21 competitive statute, and advises BellSouth and its  
22 regulatory department about how it should respond to  
23 those statutory requirements?

24          A     Certainly part of what we do, yes, sir.

25          Q     Have you testified before various state

1 commissions within the BellSouth region, including the  
2 Florida Public Service Commission, before --

3 A Yes.

4 Q -- this proceeding? How often have you  
5 testified before the Florida Public Service  
6 Commission?

7 A Probably -- I'm going to guess -- four  
8 times.

9 Q Was that over the past three years, since  
10 you joined the strategic management organization?

11 A It's probably been within the last 12  
12 months.

13 Q Since the -- essentially since the passage  
14 of the Telecommunications Act of 1996?

15 A Yes, sir. We did have a case -- and I can't  
16 remember if it was before or after the passage of the  
17 Act here in Florida, so it may have gone back a little  
18 bit earlier than that.

19 Q So your testimony has required you to  
20 address competitive issues that have been raised by  
21 passage of the Telecommunications Act of 1996?

22 A Certainly required me to address issues.  
23 Whether -- I'm not sure how you classify an issue as  
24 competitive or not, but certainly I have addressed  
25 issues relative to the Act.

1           Q     And those issues were in connection with  
2 proceedings, interconnection proceedings that have  
3 been before this Commission?

4           A     Yes.

5           Q     Involving which other carriers?

6           A     We had arbitration cases with AT&T and MCI.  
7 That was actually a combined proceeding. We had a  
8 proceeding with MFS, an arbitration; and then this  
9 Commission held at least two generic proceedings that  
10 I was involved in.

11                     In other words, they weren't specifically to  
12 one carrier or not, they were open to everyone.

13           Q     Now, prior to meeting Mr. Marvin and  
14 Mr. Mitchell Kupinsky today, you have not had any  
15 direct contact with Telenet or any employees of  
16 Telenet before today, have you?

17           A     No, sir, I haven't.

18           Q     So I gather that the -- your testimony in  
19 your direct testimony and rebuttal testimony  
20 concerning the prior business relationship between  
21 BellSouth and Telenet is exclusively what you've  
22 learned from other BellSouth employees and records  
23 you've reviewed?

24           A     Yes; basically documents that we have and  
25 discussions with other people.

1           Q     You don't have any evidence that Telenet has  
2 provided any service in Florida to Florida consumers  
3 prior to it being certificated by this Commission, do  
4 you?

5           A     No, sir, I don't.

6           Q     Do you know when Telenet was certificated in  
7 the state of Florida?

8           A     Not off the top of my head.

9           Q     Have you reviewed the direct testimony of  
10 Mitchell Kupinsky or the rebuttal testimony of  
11 Mitchell Kupinsky?

12          A     I looked at it, yes.

13          Q     Are you aware that a notice of certification  
14 was attached as an exhibit to the direct testimony of  
15 Mitchell Kupinsky?

16          A     I'll accept that.

17          Q     Now, you indicated that Telenet does not  
18 have any resale or interconnection agreement with  
19 BellSouth. But it is true that BellSouth has been  
20 providing service to Telenet for some period of time  
21 for which Telenet has been paying BellSouth for those  
22 services?

23          A     We've been providing service that's been  
24 ordered, as I understand it, both by Telenet and some  
25 of which, I believe, was ordered by Mr. Kupinsky

1 directly, possibly other employees directly. I can't  
2 attest to who paid the bills, whether it was Telenet  
3 or Mr. Kupinsky or someone else.

4 Q But you are aware that Telenet has been  
5 paying BellSouth for those services?

6 A I don't know. I assume they have, or they  
7 probably wouldn't have them any longer if they haven't  
8 been.

9 Q Right. BellSouth is not in the habit of  
10 providing free service to customers in the state of  
11 Florida?

12 A We try not to, sir. It doesn't do much for  
13 our stockholders.

14 Q You indicated that negotiations between  
15 BellSouth and Telenet do not constitute negotiations  
16 for an interconnection agreement or resale agreement  
17 under the Telecommunications Act or Florida Statutes;  
18 is that right?

19 A Yes, sir, that's correct.

20 Q Which Florida Statute are you referring to?

21 A I believe that's 364.

22 Q Which provision of 364?

23 A I don't know that I'm referring to a  
24 particular provision, but we have negotiated with  
25 carriers prior to the Telecom Act, the Federal Act,

1 and we used basically the same provisions and  
2 requirements and process, if you will, with the  
3 Florida Statute as we did with the federal statute.

4 Q Why did not the marketing representatives  
5 with -- the BellSouth marketing representatives with  
6 whom Telenet representatives were negotiating, were  
7 discussing services in July and August, 1996, why did  
8 not those BellSouth representatives refer Telenet  
9 immediately to your interconnection negotiators in  
10 Atlanta?

11 A As soon as our representatives here in  
12 Florida determined the nature of the service being  
13 provided, that's precisely what they did, sir.

14 Q So your testimony is that they -- that  
15 BellSouth employees had no clue that Telenet was using  
16 call forwarding service to bypass toll or reselling  
17 call forwarding service prior to the October, 1996  
18 letter that you referred to?

19 A I think it was actually in September.

20 Q In September?

21 A Yes, sir, that's correct.

22 Q Would you please refer -- could I direct you  
23 to the direct testimony of Mitchell Kupinsky, and  
24 specifically Exhibit No. MAK-9.

25 A Yes, sir, I have it.

1 Q MAK-9. And I'll refer you to the second  
2 page of that exhibit.

3 A Second page?

4 Q Yes, which -- is this a -- beginning on the  
5 second page, is this essentially a two-page  
6 chronology, a dated chronology ranging from dates  
7 beginning on November 1, 1995 through August 14, 1996?

8 MS. WHITE: I'm going to object only from  
9 the standpoint that this isn't a BellSouth document,  
10 so Mr. --

11 WITNESS SCHEYE: Scheye.

12 MS. WHITE: Scheye. Thank you -- can only  
13 state what it appears to be, not what it definitely  
14 is.

15 MR. BONNER: Right. I understand.

16 WITNESS SCHEYE: It appears to be a -- thank  
17 you, Ms. -- White. (Laughter) It appears to be that,  
18 sir, yes.

19 Q (By Mr. Bonner) And please assume for the  
20 purpose of this question that this is a document  
21 prepared in the normal course of business by Telenet  
22 and its employees, and it was testified to yesterday  
23 by Mr. Kupinsky in deposition and authenticated by  
24 Mr. Kupinsky.

25 Assuming the contents of this chronology are



1 true and correct, is it not true that Telenet  
2 representatives had at least 10 conversations with  
3 different BellSouth employees in which lines were  
4 ordered for Pembroke Pines North Dade, Ft. Lauderdale,  
5 Palm Beach, Boynton Beach, Delray Beach, Deerfield  
6 Beach, Pompano Beach, Ft. Lauderdale again, Hollywood  
7 again, and North Dade again, during the period of  
8 November, '95 and August, 1996?

9       A     I think what this tells us is there were  
10 several conversations or -- between the parties,  
11 Telenet and BellSouth, but these types of  
12 installations, orders and/or conversations would be  
13 very typical of a standard business customer, retail  
14 business customer ordering lines with or without  
15 called forwarding.

16               There would be nothing in here that would  
17 have been at all indicative to the person receiving  
18 the order or processing it that resale was involved or  
19 any such thing, or such a potential violation of the  
20 BellSouth tariff would have been involved, or the  
21 state statute.

22       Q     Well, let me ask you this: Isn't it routine  
23 or typical for service representatives, customer  
24 service representatives, servicing business customers  
25 to have at least some knowledge of the business that

1 the customer is engaging in when placing an order?

2       **A**     The only thing we know of is the name of the  
3 customer. We do not ask them what the use of the  
4 service is. We assume our customers will use their  
5 services in accordance with our tariff and the laws of  
6 the state that they're operating in; and we do not  
7 contest that with them until we find out, nor do we  
8 make them, quote, prove that to us. We assume they  
9 will be honest and live by what the requirements are.

10       **Q**     Are you saying that BellSouth, these  
11 BellSouth representatives, when they took these orders  
12 and placed the orders obtained no information about  
13 Telenet's business?

14       **A**     There would have been no reason for them to  
15 do so.

16       **Q**     Have you reviewed the orders that were  
17 placed by Telenet, or Telenet representatives, during  
18 the period of November, 1995 through August, 1996?

19       **A**     No, I haven't reviewed them. But Telenet is  
20 an operating company, obviously, in the state of  
21 Florida. They could have even been a carrier. But  
22 carriers such as Telenet, such as AT&T, such as the  
23 other 200 or whatever operate in the state of Florida,  
24 still have business lines that they use for their own  
25 administrative purposes.

1           So it would not be uncommon for even a  
2 carrier to contact a service representative for their  
3 own administrative services. It would be very common  
4 for those administrative services to include B-1 lines  
5 and call forwarding.

6           So, again, there would have been nothing  
7 that would have, quote, tipped off our service reps of  
8 something -- anything unusual about this, other than  
9 it was a standard business line with call forwarding  
10 on it.

11          Q     Well, do you know how many accounts these --  
12 that BellSouth opened to process these orders?

13          A     How many accounts did we open?

14          Q     Yes; to process the orders reflected in  
15 MAK -- in MAK-9.

16          A     It's my understanding that they were ordered  
17 by different parties at different times, so there's  
18 several different accounts involved.

19          Q     Do you know that for a fact?

20          A     That's what I was told.

21          Q     By whom?

22          A     By Mr. Moore.

23          Q     Did he provide you with any documentation to  
24 confirm that fact and what the account numbers are?

25          A     No, sir, I didn't ask for that.

1           Q     Did Mr. Moore at any time indicate to you  
2 that BellSouth did not know that these orders were  
3 essentially from the same entity, Telenet, or its  
4 employees and officers?

5           A     His understanding -- again, he has not been  
6 involved in this account back as far as this  
7 chronology goes -- was that the early orders were  
8 placed by a variety of people as separable accounts,  
9 separate accounts, and they were not on one account  
10 nor were they related in any particular way.

11          Q     Were they all from -- placed by parties with  
12 the same address of 10422 Taft Street, Pembroke Pines,  
13 Florida?

14          A     I don't know, sir. It could have been.

15          Q     Let me refer you to MAK-2, please. Is this  
16 not a letter --

17          A     I'm sorry. I haven't found it yet. (Pause)  
18 Yes.

19          Q     Right; immediately after the diagram.

20          A     Yes.

21          Q     Does this exhibit not, in fact, purport to  
22 be a letter from Ruth Margolis of BellSouth to Mike  
23 Hudson, Marvin Kupinsky at the address of 10422 Taft  
24 Street, Pembroke Pines, Florida?

25          A     I can't see the address, but I'll accept

1 that.

2 Q The address is on the very top left of the  
3 letter.

4 A Oh, sorry. Yes. Excuse me.

5 Q And that letter is dated November 3, 1995?

6 A Yes.

7 Q And it refers to pricing for lines for a  
8 hunt group?

9 A Yes.

10 Q Do you know what the purpose of the hunt  
11 group is?

12 A Sure. For the calls to go from the main  
13 line -- or the main number over to several other  
14 numbers, or several other lines, without needing to  
15 dial separable numbers; typically uses by -- again,  
16 standard configuration for a business account.

17 Q Well, isn't it true that if BellSouth had  
18 taken the care to review all of the orders that  
19 Telenet was making from the time of November, 1995  
20 through August, 1996, that it would have known that  
21 toll bypass was being implicated by Telenet and its  
22 employees, that they were placing these orders?

23 A First of all, we do take care of our  
24 accounts. Two, the answer to your question is  
25 absolutely not. There's no way to tell from this

1 order or any other orders placed that this service was  
2 being used in violation of our tariffs at this point  
3 in time.

4 Q Well, you knew that -- BellSouth knew that  
5 these orders for lines were being used in connection  
6 with the call forwarding service from -- which is  
7 clear from this November 3, 1995 letter, isn't it?

8 A Sure, and as I mentioned earlier, call  
9 forwarding is a standard offering that business  
10 customers use on a daily basis for their own purposes.  
11 It's not an uncommon service to be purchased by  
12 business.

13 Q And you're saying that all of the orders  
14 that were placed by Telenet and its various employees  
15 between November, 1995 and August, 96 would not  
16 have -- if BellSouth had looked at all of those orders  
17 together in their totality, taking the care to do  
18 that, BellSouth would not have known that toll bypass  
19 was being implicated here?

20 A That's right, sir.

21 Q Have you asked Doc Moore that directly?

22 A No, sir. He wasn't even -- he didn't have  
23 the account at that point in time.

24 Q And have you spoken to any of these  
25 employees who are identified in MAK-8 or 9 --

1           A     No, sir.

2           Q     -- concerning what they thought about what  
3 business operations Telenet was performing or what  
4 they knew?

5           A     I could tell you from the practices they  
6 wouldn't have thought anything. They --

7           Q     I didn't ask you that --

8           MS. WHITE: Excuse me.

9           A     -- came --

10          MS. WHITE: Excuse me. Let him finish --

11          WITNESS SCHEYE: I haven't finished the  
12 answer.

13          Q     (By Mr. Bonner) I'm not asking you to  
14 speculate, though. Please provide a direct response  
15 to the answer. Do you know what they knew about  
16 Telenet's operations?

17          A     Sir, I don't have ESP, so I have no idea  
18 what they thought.

19          Q     And you didn't bother to talk with any of  
20 them, did you?

21          A     It was not necessary to talk to any of them.

22          Q     Nevertheless, you've offered testimony to  
23 this Commission, have you not, that BellSouth had no  
24 way of knowing that Telenet was bypassing toll until  
25 the September, 1996 meeting between Doc Moore and

1 Telenet representatives?

2       A     That's my testimony. That's correct, sir.

3       Q     Can you tell me where in the -- either the  
4 Telecommunications Act of 1996 or in Florida Statutes  
5 Chapter 364 is a resale agreement required for a  
6 carrier to -- to purchase call forwarding and then  
7 either resell it or unbundle it for provision to its  
8 own customers?

9       A     Neither the Act nor the 364 docket -- or  
10 law, I should say -- specify. What they do specify,  
11 what the Telecom Act specifies is the negotiating  
12 process, and a process for arbitration once  
13 negotiations has failed after a specified period of  
14 time.

15               That coupled with the fact that services in  
16 BellSouth's tariffs were not currently available for  
17 resale, which would prohibit anyone from reselling any  
18 service in the tariff, would mean that one of two  
19 things would have to occur. Either BellSouth would  
20 have to modify its tariffs to allow resale in  
21 accordance with the Telecom Act and the requirements  
22 of 364, which would then make it available to any  
23 party who was certified, or the parties would  
24 negotiate on an individual basis.

25               Since BellSouth had not filed any tariffs in



1 the state of Florida, then the only course of action  
2 that anyone had to resell our services would be  
3 through the negotiating process.

4 Q And I believe it's your testimony that it  
5 was not until the October 15 letter of Doc Moore to  
6 Telenet that there was any suggestion that a reseller  
7 agreement should be entered into by Telenet?

8 A I believe that letter is dated September,  
9 not October, is my understanding.

10 Q Okay. Okay.

11 A We had it a minute ago. And I believe that  
12 was less than a week later after Mr. Moore became  
13 aware of the situation. I think it was September 19,  
14 if memory serves me.

15 Q Right. That's correct. I stand corrected.  
16 It's MAK-4, the MAK-4 exhibit to Mr. Kupinsky's direct  
17 testimony.

18 What I'm curious about is comparing MAK-4 to  
19 the October 15 letter, MAK-8, which is the October 15  
20 letter from Doc Moore to Marvin Kupinsky. And what I  
21 don't understand is why would these two letters  
22 resulting from the same meeting September 16, 1996  
23 have been prepared separately.

24 MAK-4, the September 19 letter, purports to  
25 suggest that a resale agreement be negotiated by

1 Telenet with BellSouth interconnection services in  
2 Atlanta, and the October 15 letter makes no reference  
3 to negotiating a resale agreement, but instead advises  
4 Telenet that they're in violation of the Florida --  
5 the BellSouth Florida general subscriber service  
6 tariff.

7           **MS. WHITE:** Well, first of all, I'm going to  
8 object to your characterization that the letters  
9 resulted from the same meeting, because there's  
10 nothing in the September 19th letter that indicates  
11 that results from a meeting on September 16th. So I  
12 would object to that extent.

13           **Q**        **(By Mr. Bonner)** Well, Mr. Moore was  
14 present in the September 16 meeting, was he not, sir?

15           **A**        According to this letter he was, yes,  
16 uh-huh.

17           **Q**        And the September 19 letter and the October  
18 15 letter were both prepared and signed by Doc Moore,  
19 were they not?

20           **A**        Yes.

21           **Q**        So it's reasonable to assume that both of  
22 these letters were prepared and generated as a result  
23 of or following the September 16 meeting; is that not  
24 correct?

25           **A**        It doesn't say, but obviously there was a

1 meeting on September 16th. I think that's all we can  
2 say for sure.

3 Q How do you reconcile these two letters,  
4 then?

5 A I'm not sure there's anything to reconcile.  
6 They talk about --

7 Q Why didn't Doc Moore send the contents of  
8 the October 15 letter to Telenet advising of the  
9 tariff violation on -- in the September 19 letter?  
10 Why instead does he say in the September 19 letter,  
11 you're supposed to negotiate a resale agreement, if  
12 you had been provided the information about a  
13 potential tariff violation during the September 16  
14 meeting?

15 A Again, I can't speak for Mr. Moore, but I  
16 assume he believed that it was appropriate to deal  
17 with these in separable letters.

18 Q And the first notice that Telenet received  
19 of this tariff violation from BellSouth was this  
20 October 15 letter; is that correct?

21 A I would say it's probably the September 19th  
22 letter. Somebody else had written this letter to them  
23 indicating a resale --

24 Q Do you see any reference -- can you point me  
25 to any reference to a BellSouth -- a violation of the

1 BellSouth tariff by Telenet in the September 19  
2 letter, which is Exhibit MAK-4 to the direct testimony  
3 of Mitchell Kupinsky?

4       **A**     Well, what it says is -- it's apparent from  
5 the issuance of the letter that Mr. Moore understood  
6 that the resale was going on. He was trying to be  
7 helpful to the customer.

8       **Q**     Excuse me. Would you please --

9       **A**     My suggestion --

10       **Q**     Would you please answer my question?

11       **MS. WHITE:** I believe that --

12       **Q**     **(By Mr. Bonner)** I directly asked you  
13 whether or not you see any reference to a tariff  
14 violation in the September 19 letter. I didn't ask  
15 you about reference to resale.

16       **MS. WHITE:** Excuse me. But, Mr. Scheye, if  
17 you'll to answer the question with a yes or no. And  
18 then he may explain as much as he likes.

19       **WITNESS SCHEYE:** So the letter has no  
20 reference to a tariff violation. However, what the  
21 letter --

22       **MR. BONNER:** Thank you.

23       **MS. WHITE:** Excuse me. He isn't finished.

24       **Q**     **(By Mr. Bonner)** You may explain.

25       **A**     Thank you.

1 Q I'm sorry. Go ahead.

2 A It is clear from the nature of the letter  
3 that resale must have been -- it was a determination  
4 that resale was actually going on, or Mr. Moore would  
5 not have contacted someone in Atlanta nor would he  
6 have given Mr. Schaeffer's (phonetic) name and  
7 address.

8 So, therefore, it's apparent from the letter  
9 that Mr. Moore understood sometime September 19th or  
10 earlier that resale was going on. Mr. Moore was  
11 probably also aware that there's nothing in our  
12 tariffs that allow for resale.

13 Q You can have a violation of the toll bypass  
14 restriction in BellSouth's tariff without a resale  
15 situation going on, can't you?

16 A It would be tough. It would be highly  
17 unlikely that you would have one scenario without the  
18 other, but you could.

19 Q Why do you say highly unlikely?

20 A Because the typical configuration would  
21 probably involve resale to a third party, which is  
22 what Telenet is doing. Conceivably, they could have  
23 been doing it for themselves, but -- so it is  
24 possible, but not likely.

25 Q And it would be unlikely that -- you're

1 saying it would be unlikely for an end user to have  
2 the resources to prepare that kind of configuration  
3 and use it for call forwarding?

4       A     Conceivably an end user could do it, but I  
5 would say the odds of an end user doing that is fairly  
6 small. I can't imagine the configuration, but as I  
7 said, it's possible.

8       Q     You are aware that -- I think you indicated  
9 that there are five or 6 IVRs involved in this  
10 configuration that Telenet has developed, which is  
11 reflected in MAK-1, the diagram that you've seen?

12       A     Yes.

13       Q     And what's your understanding about the  
14 investment and technical capability required to  
15 develop that kind of a configuration?

16       A     I don't know what the investment is. We  
17 talked briefly earlier about what it technically does,  
18 but that's all I know about it.

19       Q     And you don't know if it would be  
20 economically feasible, as I understand it, for an end  
21 user to develop this type of network configuration  
22 that Telenet has done in a cost-effective manner?

23       A     I would find it unlikely, but certainly  
24 possible.

25       Q     And you don't -- you can't point to any

1 particular provision of the 1996 Act which would  
2 require a resale or interconnection agreement by  
3 Telenet with BellSouth in order to use this call  
4 forwarding application?

5 A I believe I just answered that, sir, and I  
6 can't add anything more to it than what I said.

7 Q Can you just refresh me what your answer was  
8 to that question?

9 A Sure. My answer was, the Telecom Act talks  
10 about negotiations and subsequent arbitration to a  
11 party that cannot reach agreement on resale or  
12 interconnection.

13 At that point in time, as today, the only  
14 way one could resell, then, a BellSouth service would  
15 be either if BellSouth changed or added a tariff that  
16 allowed resale, which is currently not allowed in its  
17 current tariffs, or a party negotiated an individual  
18 agreement between BellSouth and that individual.  
19 That's the only two ways one could legally resell a  
20 BellSouth service.

21 Q Would you agree that given the threat of the  
22 immediate termination of service by Doc Moore's  
23 October 15, 1996 letter, unless Telenet could prove it  
24 was not bypassing the toll bypass restriction or  
25 avoiding the toll bypass, that it would have been

1 futile for Telenet to try to commence negotiations  
2 under the Telecom Act of 1996, given the nine-month  
3 time frame required to try to negotiate and arbitrate  
4 an interconnection agreement?

5       A     No, sir, I wouldn't find it futile at all.  
6 As a matter of fact, the majority of resale agreements  
7 we reach with carriers are done over the phone and can  
8 take no more than a couple days or a week.

9       Q     Yes, but would -- BellSouth would not be  
10 prepared to allow, as you indicated earlier, Telenet  
11 to use its current application of call forwarding  
12 under any interconnection agreement, would it?

13       A     Not that violates the -- our tariffs nor  
14 violate the laws of the state of Florida. You're  
15 right.

16       Q     So if Telenet had any intention of  
17 continuing with its ongoing business using the call  
18 forwarding service, it would not be able to -- it  
19 would not obtain any help by an interconnection  
20 agreement with BellSouth, could it?

21       A     It could have one -- develop the  
22 configuration that was consistent with our tariffs and  
23 the laws of the state of Florida, certainly, to  
24 continue business. And there's nothing to say as  
25 we're sitting here today that had those negotiations



1 started, whether we would have immediately terminated  
2 their service.

3 Q Do you know if it's economically feasible  
4 for Telenet to pursue any of the other options for  
5 resale offerings that you discussed in your direct  
6 testimony today?

7 A I can't speak for the financials of Telenet,  
8 obviously. I'm not an employee of theirs. But I can  
9 speak to several hundred other resale operations  
10 around the country and in the state of Florida that  
11 use other configurations.

12 Q And then they would be competing with those  
13 three or 400 resellers if they were to follow their  
14 network configuration of -- or their business plan of  
15 reselling BellSouth service?

16 A Well, there's not three or 400 necessarily  
17 in Florida, but whatever that number is -- and they're  
18 effectively competing with them right now. So they  
19 wouldn't change the number of parties they were  
20 competing with.

21 Q Yes, but they would be competing using the  
22 same business plan or method of service, not the  
23 current network configuration of using call forwarding  
24 service; is that right?

25 A Right. They could be -- maybe one that's

1 even more economically feasible.

2 Q And you're not saying today that Telenet's  
3 customers could achieve comparable savings through the  
4 resale of BellSouth service offerings as they could  
5 obtain through Telenet's current network configuration  
6 of offering call forwarding, are you?

7 A Could they?

8 Q Yes.

9 A It's possible, sure.

10 Q Do you know that?

11 A No.

12 Q Have you done any study to determine what  
13 the comparable cost savings would be to Telenet's  
14 customers if they were to resell, at the discount rate  
15 you identified, BellSouth's WATS service or ECS  
16 service or standard intraLATA toll as opposed to the  
17 10-cent flat rate per call that Telenet is currently  
18 offering its southeast Florida customers?

19 A Sir, I don't even know who Telenet's  
20 customers are, so I can't speak to what their volumes  
21 are. I don't know Telenet's business case. I don't  
22 know Telenet volumes. I don't know how many customers  
23 they have. So there's no way for me to answer your  
24 question.

25 Q What are the ECS areas in the southeast

1 Florida LATA?

2 A I'll have to pull a tariff out and look at  
3 that. If I just run down this alphabetically it looks  
4 likes Belle Glade ECS area is Boca Raton, Boynton  
5 Beach, Delray Beach, Jupiter.

6 Q First of all, how many are there, ECS areas  
7 in the southeast Florida LATA, so we can save some  
8 time?

9 A Well, they vary by exchange. I don't know  
10 how you want me to count them. For example --

11 Q Well, how many -- roughly, how many do you  
12 have per exchange?

13 A Well, Belle Glade has one, two, three, four,  
14 five. Boca Raton has one, two, three, four, five,  
15 six, seven, eight, nine.

16 Q Okay. So you'd say about five to ten per  
17 exchange?

18 A That appears to be reasonable, yes, sir.

19 Q And how many exchanges are there in the  
20 south Florida LATA?

21 A Assuming this is --

22 Q Roughly. Over 100?

23 A Could be.

24 Q And if Telenet were to resell ECS, it would  
25 pay a flat rate per call for ECS; is that right? Or

1 what's the billing mechanism for ECS?

2 A It's a usage rate. I honestly don't recall  
3 whether it's a per message. I believe for residence,  
4 per message. For business it may be on a per minute  
5 basis. And it would be discounted as a resale  
6 service.

7 Q Is the ECS rate 25 cents flat rate for  
8 residents?

9 A Per message. I believe that's correct, sir.

10 Q And is the ECS rate 10 cents per minute for  
11 the first minute and 6 cents per minute for additional  
12 minutes for business?

13 A That sounds correct, sir.

14 Q And if Telenet were to resell that, they  
15 would receive the discount rates that have been  
16 approved in arbitrations by the Florida Public Service  
17 Commission?

18 A Yes, sir.

19 Q On those rates?

20 A Yes, if that's what they resold.

21 MR. PELLEGRINI: Excuse me, Mr. Bonner.

22 Could we go off the record?

23 (Discussion off the record.)

24 Q (By Mr. Bonner) Do you know what, if any,  
25 certification requirements there are for ECS resale in

1 the state of Florida?

2 A Yes. You have to be certified as an ALEC or  
3 long distance carrier.

4 Q Does it require one or the other, or both  
5 certifications?

6 A If you were just reselling ECS?

7 Q Yes.

8 A Long distance.

9 Q You would have to have a long distance  
10 certification to resell --

11 A That's all you would --

12 (Court reporter asked for clarification.)

13 Q My question was, would you require IXC  
14 certification, ALEC certification or both from the  
15 Florida Public Service Commission to resell ECS?

16 A I would guess -- and I think it would really  
17 be up to the Florida Commission to tell you whether  
18 you needed both of them or not. Clearly, you would  
19 need a long distance certificate. Whether they would  
20 also require an ALEC certificate or not I think would  
21 be up to the Commission.

22 Q So given your understanding of Telenet's  
23 present certification, they would not be able to  
24 presently resell ECS service; isn't that right?

25 A Again, subject to the interpretation of --

1 that they need a long distance certificate, yes,  
2 that's probably correct; probably another violation.

3 Q You're not suggesting Telenet is reselling  
4 ECS service presently, are you?

5 A No, sir, they're not reselling ECS; but  
6 they're reselling toll service without a toll  
7 certificate.

8 Q Do you know of any toll charges that Telenet  
9 has charged its customers in the southeast Florida  
10 LATA or anywhere in the state of Florida?

11 A Yes.

12 Q What toll charges has -- intraLATA toll  
13 charges has Telenet charged its customers? Not the  
14 10-cent flat rate, but what toll charges are they  
15 charging their customers?

16 A 10 cents per message.

17 Q And you consider that an intraLATA toll  
18 charge?

19 A It's not a local exchange charge, so that's  
20 all we have. It only can be one or the other, and if  
21 it's not local, it must be toll.

22 Q What's the BellSouth toll rate, sir,  
23 between -- for calls between Miami and West Palm  
24 Beach?

25 A I don't know off the top of my head.

1 Probably more than 10 cents a message.

2 Q Isn't it 21 cents per minute?

3 A I'll accept that.

4 Q Do you have any idea of the volume of calls  
5 that Telenet has been carrying since it's been in  
6 business?

7 A No, sir.

8 Q Are you a network engineer or have you  
9 spoken to any BellSouth network engineers about  
10 BellSouth's ability to carry Telenet's traffic?

11 A No, sir.

12 Q So you're not really qualified to offer an  
13 opinion, technical opinion, to this Commission as to  
14 BellSouth's network capability to carry Telenet's  
15 traffic today or anytime in the future, are you?

16 A Yes, I believe I am.

17 Q You are technically qualified?

18 A I believe so.

19 Q Even though you have not -- you have no  
20 network engineering expertise, as you yourself have  
21 admitted, and you have not discussed this specific  
22 question with any network engineers within the  
23 BellSouth company?

24 A I guess after 29 years you do learn a few  
25 things in the telephone business.

1           Q     And you offer that opinion even though you  
2 don't know what -- you don't know what the future  
3 demands on BellSouth's network will be from Telenet  
4 and Telenet's provision of service to its customers?

5           A     I don't think it makes any difference if  
6 it's one minute or a billion minutes. It's still not  
7 the way our network was designed, and I think that's  
8 the only issue we're raising here about that.

9           Q     Were you present for Mr. Kupinsky's  
10 testimony yesterday?

11          A     No, sir.

12          Q     Are you aware that Mr. Kupinsky testified  
13 that in a recent conversation with a BellSouth  
14 representative, the BellSouth representative indicated  
15 that the current demands on the BellSouth system would  
16 not cause any strain on BellSouth?

17          A     He may have said that, and he may have had  
18 that discussion, yes.

19          Q     Don't you think that individual who is --  
20 who has more direct knowledge of Telenet's demands on  
21 the BellSouth network would be in a better position to  
22 know whether or not Telenet's demands on the BellSouth  
23 network will exceed the capability to provide services  
24 to Telenet?

25                MS. WHITE: I'm going to object, only from



1 the standpoint that you've not named this individual.  
2 We don't know who you're talking about, when the  
3 conversation was, who the conversation was with. So  
4 to the extent you're asking Mr. Scheye to speculate,  
5 that's fine, as long as it's known that it's  
6 speculation.

7 Q (By Mr. Bonner) You may answer.

8 A I don't -- there's nothing in my testimony  
9 that indicates my belief that their demand will exceed  
10 our network capability. I've never implied that or  
11 stated any such thing. All I've said is, the way  
12 they're using the network is not the way the network  
13 was designed.

14 Q You did use the words "inordinate use" in  
15 your testimony, didn't you?

16 MS. WHITE: Let's point Mr. Scheye to that  
17 page.

18 WITNESS SCHEYE: For the reason that I just  
19 mentioned. This is not the way toll traffic routes.

20 MS. WHITE: 10.

21 MR. BONNER: Is it 10? Right. Thank you,  
22 Ms. White.

23 Q (By Mr. Bonner) Page 10, your direct, Line  
24 8. How did you arrive at the conclusion that Telenet  
25 was causing inordinate use of BellSouth facilities?

1           MS. WHITE: I'm going to object to that  
2 question. It assumes facts not in evidence. It does  
3 not say that BellSouth -- it does not say that Telenet  
4 is making inordinate use. It's taking the --

5           MR. BONNER: All right.

6           MS. WHITE: -- phrase out of context.

7           MR. BONNER: Well, thank you for pointing  
8 that out.

9           Q        (By Mr. Bonner) How do you know that the  
10 general use of call forwarding to transfer calls from  
11 one central office to another is causing inordinate  
12 use upon the BellSouth network, sir?

13          A        It's not the use of call forwarding, it's  
14 the fact that these are toll calls; and a toll call  
15 from a call forwarded line or any other line will go  
16 over across the BellSouth toll network. These calls  
17 are not going across the BellSouth toll network.  
18 They're going from office to office to office, as  
19 we've seen in the diagram, causing use not only of our  
20 facilities between those switches, but also use of  
21 those actual switches to continuously switch the  
22 calls.

23                   That's not the design of our network.  
24 That's not what they were intended for. That's what  
25 we're discussing here.

1 Q And you were referring here to the general  
2 use of call forwarding to perform that function, not  
3 Telenet's specific use of call forwarding to perform  
4 that function?

5 A No; just the opposite. Telenet's use, which  
6 is to try to use it from office to office to office to  
7 bypass toll is what's the inordinate use. The  
8 normal --

9 Q So my --

10 A Can I finish?

11 Q I'm sorry. Excuse me.

12 A Normal use and a proper use of call  
13 forwarding for a local call would be simply as a local  
14 network, and if someone call forwarded to a toll call  
15 it would go on our toll network. So it is only  
16 Telenet's use of call forwarding that causes this  
17 issue, not the normal use of call forwarding.

18 MS. WHITE: I stand corrected.

19 MR. BONNER: Thank you.

20 Q (By Mr. Bonner) Can you say that Telenet's  
21 offering of call forwarding to bypass toll --  
22 intraLATA toll charges is closer to cost based service  
23 than the resale of BellSouth's intraLATA toll?

24 A No, sir, it's not closer -- the only thing  
25 it's close to is what it is. It's a violation of the

1 tariff.

2 Q I don't think I asked you about tariff  
3 violations. I was simply asking you a cost question.

4 A No, it is not closer to cost.

5 Q How do you know that?

6 A Because we have costs for intraLATA toll and  
7 for the services that are used for that. One would  
8 expect that that would be the, quote, cost for an  
9 intraLATA toll call.

10 Similarly, we have in the state of Florida a  
11 discount that is intended to reflect resale. Those  
12 would be the proper rates, the proper costs to think  
13 of in this situation.

14 Q Isn't it true that under the  
15 Telecommunications Act that unbundled elements are to  
16 be priced at cost based rates and resold services are  
17 priced on a top down approach, which is taking the  
18 retail price less an avoided cost discount?

19 A You're correct that that's what the Telecom  
20 Act says.

21 Q And retail resale rates are not cost based  
22 rates under the Act, are they?

23 A Yes, sir, they are cost based under the  
24 standards of the Act. The Act says retail prices --  
25 just to repeat what you said -- minus avoided costs.

1 That is the proper cost standard under the Act.

2 Q And it's --

3 A Any other cost standard is in violation of  
4 the fact.

5 Q Mr. Scheye, retail resale rates are not  
6 based on a TS -- or a TELRIC based rate, are they?

7 A They're not supposed to be.

8 Q Now, Telenet is not, as you've pointed out,  
9 I think, in your testimony elsewhere, is not reselling  
10 call forwarding service as a service to its customers,  
11 is it?

12 A No, sir, they're not.

13 Q They are taking the BellSouth service and  
14 essentially using the multipath call forwarding  
15 features available for that service, unbundling them  
16 and providing them -- unbundling them and combining  
17 them with their network, which includes the IVRs, and  
18 providing that service to their customers; is that  
19 correct?

20 A They're not unbundling anything, and they're  
21 misusing the service.

22 Q Well, what are they doing if they're not  
23 reselling call forwarding service as an entire service  
24 to their customers if they're not unbundling?

25 A Unbundling under the terms of the Act means

1 taking a network facility apart, not a retail service.  
2 So you're saying did they unbundle call forwarding.  
3 They're not unbundling anything. They're using the  
4 service, as you said, in conjunction with some piece  
5 of their own facility to create a toll service.  
6 That's how they're using the service, as we all  
7 understand it.

8 Q Well, then why are you suggesting if they're  
9 not unbundling and they're not reselling, that Telenet  
10 engaged in -- should have engaged in an  
11 interconnection agreement negotiation with BellSouth?

12 A I didn't say they weren't reselling. They  
13 are reselling. They're reselling call forwarding.  
14 Apparently you don't understand what resale is. Maybe  
15 that's why we have a problem. Resale means to take a  
16 regulated telecommunication service and use it for  
17 profit. That's exactly what they're doing.

18 And nobody ever said you have to take the  
19 same service and turn it around and provide it in its  
20 identical fashion. For example, 500 carriers out  
21 there resell AT&T WATS service or Megacom and create a  
22 usage sensitive toll service out of it. That's  
23 resale.

24 Resale of this service is being misused, if  
25 you will, for the purpose of creating toll, but it's

1 still resale.

2 Q Let me refer you please to your rebuttal,  
3 Page 8.

4 A I have it.

5 Q Do you state in Line 1 there, that second --  
6 Telenet is not actually reselling call forwarding  
7 service to its end users?

8 A Yes. It doesn't mean they're not reselling  
9 it.

10 Q And then Line 13, if I could refer you to  
11 Line 13. You state there that, nevertheless, Telenet  
12 is the customer who is reselling and clearly misusing  
13 call forwarding service?

14 A Yes. Those are both correct statements, and  
15 I think basically what I just said.

16 Q Do MCI, AT&T and other IXCs provide  
17 ubiquitous competitive intraLATA toll services in the  
18 southeast Florida LATA today?

19 A They certainly can.

20 Q Do they actually presently provide  
21 ubiquitous intraLATA toll service in the southeast  
22 Florida LATA that that's available for resale to  
23 competitors such as Telenet?

24 A To the best of my knowledge they do, yes.

25 Q And how are they presently going about

1 providing that ubiquitous intraLATA toll service  
2 throughout the southeast Florida LATA? Are they  
3 reselling BellSouth service?

4 A No, sir; they're using their own facilities.

5 Q Are you saying AT&T has its own facilities  
6 based intraLATA toll service in the southeast Florida  
7 LATA?

8 A Certainly.

9 Q If I were a southeast Florida customer of  
10 BellSouth and I PIC'd -- I PIC'd to AT&T or MCI as my  
11 long distance carrier, and I lived in Miami and wanted  
12 to call Hollywood, are you saying that that call would  
13 be an AT&T call, not a BellSouth call?

14 A Could be if you picked AT&T for your  
15 intraLATA toll.

16 Q Aren't there a lot of customers who would  
17 not pick, or typically do not pick the IXC for  
18 intraLATA toll charges but only pick them for  
19 interexchange traffic?

20 A Well, since intraLATA 1+ competition has  
21 been introduced, BellSouth has -- loses quite a few  
22 customers to interexchange carriers who were only  
23 providing interLATA. Customer picks the same carrier  
24 for both intra and interLATA. So it's certainly --  
25 it's obviously the customers' option, though.



1 Q Right. There are a large proportion of  
2 those customers that pick an IXC for intraLATA long  
3 distance only; isn't that correct?

4 A In the state of Florida now, since we're in  
5 the process of introducing 1+ intraLATA, the customer  
6 would pick a carrier for interLATA, a carrier for  
7 intraLATA. They could pick the same carrier, such as  
8 AT&T, for both if they wanted to. They could also  
9 pick BellSouth just for intraLATA.

10 Q Thank you. You indicated in response to  
11 Mr. Pellegrini's questions about the wording of  
12 Florida Statutes 364.16(3)(a), which is the access  
13 charge provision --

14 A Yes.

15 Q -- that you referred to that you believe  
16 that Telenet and BellSouth have a local  
17 interconnection arrangement under the wording of that  
18 statute?

19 A Yes.

20 Q But you're not -- but you're also -- your  
21 testimony is also they did not have an interconnection  
22 agreement as contemplated under the terms of the 1996  
23 Act; is that correct?

24 A What my testimony refers to in terms of an  
25 agreement would deal with the resale of BellSouth's

1 retail services, call forwarding intraLATA toll, which  
2 would be required to resell any BellSouth service.

3           What we're referring to in the Act was the  
4 physical form of interconnection and the fact that  
5 some BellSouth services are being used in conjunction  
6 with the facilities or the capabilities of Telenet,  
7 which would cause this particular provision to apply.

8           Q     Isn't BellSouth really trying to have it  
9 both ways here by insisting that Telenet would need to  
10 have a resale agreement or an interconnection  
11 agreement, but that they currently have an  
12 interconnection arrangement such that they're  
13 responsible for access charges?

14           A     So that what I'm saying is, BellSouth  
15 requires a resale agreement to legally comply -- for  
16 any carrier to legally comply with the Florida laws  
17 and the federal laws.

18           The second statute is not my doing or  
19 anything else. It's the state of the -- it's the law  
20 of the State of Florida that applies. I'm not having  
21 it one way or any way. I'm trying to follow the law,  
22 and I would expect all other carriers to do likewise.

23           Q     And isn't it incumbent on BellSouth to  
24 request resale agreements in a timely fashion from  
25 competitors that are requesting those services?

1           A     No, sir, it's not incumbent upon BellSouth  
2 to request anything. It is incumbent upon any carrier  
3 who wishes to resell their services -- we don't know  
4 who they are -- to become certificated by the State,  
5 or by the Commission, and then to the extent they want  
6 to resell our services, to inform us of that. There's  
7 no way we knew. There could be millions of people out  
8 there who potentially want to do that.

9           So the process that's been used by every  
10 other carrier -- as I said, it's probably 75 or more  
11 so far -- they have known to contact BellSouth when  
12 they have an interest in this type of thing, and we've  
13 negotiated successfully with essentially almost all of  
14 them.

15          Q     You are aware that Telenet is a start-up  
16 company and doesn't have the experience of other  
17 carriers that have been in business for many years?

18          A     I suspect Telenet is a start-up, but I will  
19 suggest to you that at least three-quarters of the  
20 companies that I have talked to or who have contacted  
21 BellSouth are no more or no less start-up than Telenet  
22 is, and have no more experience than Telenet in this  
23 area.

24          Q     You don't have -- maintain those  
25 communications with those companies, do you?

1           A     Some of them I do.

2           Q     Do you do the negotiations of these  
3 agreements?

4           A     Initially I did essentially all of them.  
5 Recently I have not been doing nearly as many because  
6 I spend most of my time in front of commissions in  
7 other proceedings, but I personally probably have  
8 talked to 50 carriers plus, many of which I suspect  
9 are smaller than Telenet.

10          Q     Haven't you been involved in interconnection  
11 proceedings of last year, I think you've indicated?

12          A     Not full time. I have been, that's correct,  
13 but I certainly do other things, one of which is --

14          Q     What percentage of your time is involved in  
15 interconnection proceedings in --

16          A     I'd say in the last several months --

17                     (Court reporter asked for clarification.)

18          Q     What percentage of your time over the past  
19 year since passage of the Telecommunications Act of  
20 1996 have been involved in testifying before  
21 commissions in interconnection or other proceedings?

22          A     I would say from February to roughly  
23 September of 1996, no more than 10%. Since September  
24 of '96 to the current, probably 70%.

25          Q     And the remainder of your time since

1 September of 1996 has been doing what?

2           A     Some negotiations. Sometimes I actually  
3 take a day off. Sometimes I actually read my mail,  
4 things like that.

5           Q     Are you part of the interconnection  
6 negotiation unit per se in BellSouth in Atlanta?

7           A     We don't really have an interconnection  
8 unit. We have an interconnection organization who now  
9 is doing the majority of the negotiations. Prior to  
10 that time the negotiations were not conducted by that  
11 organization, but were actually conducted by me.

12          Q     When did that organization take over the  
13 primary responsibility for interconnection  
14 negotiations?

15          A     Roughly around the September time frame when  
16 I was no longer there most of the time.

17          Q     Do you agree that BellSouth's tariffs must  
18 comply with controlling statutes governing the  
19 provisions of interconnection services, such as the  
20 1996 Federal Act and Florida Statutes, Section 364?

21          A     Yes.

22          Q     And would you also agree that if this  
23 Commission were to find BellSouth's -- any BellSouth  
24 tariff provisions, such as its toll bypass  
25 restriction, unjust, unreasonable or discriminatory,

1 you can take action to rectify or modify that tariff  
2 provision?

3 A Can the Commission, did you say?

4 Q Yes.

5 A Certainly they could do whatever the  
6 Commission has the authority to do.

7 Q When was that -- I think you indicated you  
8 don't know when that tariff, the call forwarding  
9 tariff, and the bypass restriction was adopted by the  
10 Commission; is that right?

11 A That's right, sir.

12 Q Do you know -- do you participate in that  
13 tariff approval process?

14 A Not for a service like that, no, sir.

15 Q So you can't say if there was a specific  
16 finding by this Commission that the toll bypass  
17 restriction is reasonable, just or nondiscriminatory,  
18 can you?

19 A I think the finding had to be that the  
20 service was allowed to take effect under the  
21 statements that there were in there. So, yes, I think  
22 it was just and reasonable.

23 Q Well, do you know, in fact, if the  
24 Commission specifically addressed the toll bypass  
25 restriction when it considered the call forwarding

1 tariff?

2           A     No, but I think this Commission does a  
3 pretty thorough job of reviewing tariffs. So I assume  
4 they looked at the entirety of the tariff and --

5           Q     Do you know -- oh, I'm sorry.

6           A     -- provision.

7           Q     My fault. Do you know if any third parties  
8 who may have been using the call forwarding service  
9 for competitive purposes existed at the time the  
10 tariff was being considered by the Commission?

11          A     No, I don't, and I would assume there  
12 wasn't.

13          Q     Do you know if there was an open public  
14 hearing to consider this tariff provision, or was it  
15 perfunctorily approved upon filing by BellSouth?

16          A     As I said, I wasn't involved in it, and I  
17 don't even know when it occurred, so I can't speculate  
18 on that.

19          Q     You will admit that a tariff can be filed  
20 and approved by the Commission and then subsequently  
21 modified or rejected by the Commission upon a  
22 challenge; isn't that right?

23          A     Certainly parties can file complaints and  
24 things can change. Certainly.

25          Q     Do you know if this or a similar toll bypass

1 restriction has been challenged before in the state of  
2 Florida or in any other regulatory proceeding in any  
3 other state?

4 A Not to my knowledge.

5 Q You're not aware of a similar proceeding in  
6 Ohio today?

7 A No, sir.

8 Q Do you know of any nonreseller customers of  
9 call forwarding who have attempted to use BellSouth's  
10 call forwarding service to avoid intraLATA toll  
11 charges?

12 A No, I'm not.

13 Q So the primary effect of the toll bypass  
14 restriction is to prevent resale of call forwarding by  
15 resellers; isn't that correct?

16 A No, sir, not at all. First of all, our  
17 current tariffs don't allow resale of anything, so  
18 there's no provision in our tariffs over the general  
19 provision that they can't resell. It applies to all  
20 our services. So there's nothing unique about that  
21 provision as it applies to resale.

22 Q Why has not BellSouth had its tariffs  
23 conform with the current state of the law, which does  
24 allow for the resale of any telecommunication  
25 services?



1           **A**     Because the process that we have used, and  
2 which every other carrier has used, is go through the  
3 negotiations and/or arbitration which can follow. At  
4 some in point in time BellSouth can, if it desires, to  
5 file what is called a general available -- statement  
6 of generally available terms and conditions, which  
7 could include resale.

8                     But to date, all the resellers who are  
9 certified in the state of Florida, as well as any  
10 other state that we're operating in right now, have  
11 done it through the negotiating process.

12           **Q**     BellSouth has, in fact, filed a statement of  
13 generally available terms and conditions in Georgia  
14 and other states, has it not?

15           **A**     Yes, in Georgia we did, just few weeks ago.

16           **Q**     Can you tell us why BellSouth has not filed  
17 a similar statement in the state of Florida?

18           **A**     We've got nine states. We have arbitration  
19 decisions that have come out in Georgia which are  
20 little further along. We were close to having a final  
21 agreement with AT&T and MCI, who were the primary  
22 parties to those arbitrations, and we chose to  
23 therefore file in Georgia at that point in time.

24                     The Commission also had a proceeding that  
25 they had initiated in the state of Georgia, which they

1 were looking at those kinds of issues.

2 Q If I could please refer you to your rebuttal  
3 testimony on Page 11.

4 A Yes.

5 Q Oh, I'm sorry. It's Page 12, top of Page  
6 12.

7 A Yes.

8 Q Line 3 -- or beginning on Line 2, it says,  
9 "However, use of call forwarding in the manner that  
10 Telenet is currently using it does not introduce  
11 effective competition -- efficient competition, rather  
12 just accentuates and accelerates tariff arbitrage and  
13 undermines the terms under which a service is  
14 purchased."

15 Are you -- do you consider yourself an  
16 economist, Mr. Scheye?

17 A Not in the formal sense. I have an  
18 economics degree.

19 Q Do you have any post-collegiate economic  
20 degrees?

21 A No.

22 Q Do you have an MBA?

23 A No.

24 Q What's the basis for your testimony, then,  
25 that use of the call forwarding method, as Telenet is

1 currently using it, accelerates tariff arbitrage?

2           A     I'm sorry. What's the basis of that  
3 statement?

4           Q     Yes.

5           A     The fact that, one, it's a clear violation  
6 of our tariff, I guess; and, two, if you're asking of  
7 a more general statement, again, fairly extensive  
8 experience in the telecommunications industry dealing  
9 with competition would probably allow me to draw those  
10 kinds of conclusions.

11          Q     Isn't it true that tariff arbitrage means  
12 lower prices for end users?

13          A     Typically, no.

14          Q     What's the basis for your answer?

15          A     Sometimes people arbitrage tariffs and don't  
16 necessarily pass on whatever potential savings they're  
17 getting to the end user. They may charge more.

18                     So I don't think you can draw a conclusion  
19 that just because someone is arbitraging the tariff,  
20 that that advantage, if you want to think of it that  
21 way, is being passed on to the end users.

22          Q     But isn't it also true that tariff arbitrage  
23 in many cases can produce more cost based rates and  
24 result in lower prices for consumers?

25          A     Not necessarily. Typically, what happens

1 with tariff arbitrage, if it occurs in any significant  
2 degree, the entity involved loses money, obviously;  
3 and what that typically would cause, the entity would  
4 try to recoup that through other rate increases, which  
5 causes generally higher rates for the general body of  
6 ratepayers, because someone is abusing the process.

7 Q Are you familiar with the FCC's regulatory  
8 policies concerning resale and shared use?

9 A Yes.

10 Q And how are you familiar with that?

11 A I worked on the docket that allowed AT&T to  
12 resell back in 1984.

13 Q And didn't Mr. Kupinsky in his rebuttal  
14 testimony quote from that very docket in which you  
15 participated?

16 A He may have, sir. I'll accept that, that he  
17 did.

18 Q Did you testify in that docket?

19 A No, sir. You don't testify in front of the  
20 FCC. It's all a paper proceeding.

21 Q No prefiled testimony of any kind or did you  
22 participate in the filing of any comments with the  
23 FCC?

24 A Again, you don't file testimony with the  
25 FCC. It's all done through a comment cycle, where

1 parties simply put on paper their beliefs.

2 Q Correct. Did you participate in the filing  
3 of any comments with the FCC on that tariff arbitrage  
4 issue?

5 A If we're talking about the same docket. I  
6 don't know which one Mr. Kupinsky referred to. I'd  
7 have to look.

8 Q Let me refer you to Page 6 of Mr. Kupinsky's  
9 rebuttal; Pages 6 and 7. You filed rebuttal testimony  
10 after Mr. Kupinsky filed his rebuttal testimony, did  
11 you not?

12 A Yes.

13 Q And you chose, for whatever reason, not to  
14 address this testimony concerning tariff arbitrage; is  
15 that correct?

16 A Yes. And I still can't tell what docket  
17 that's involved in.

18 Q Isn't there a cite there for each of the  
19 quotations to the FCC decisions issued -- one, in  
20 1977, in the middle of --

21 A Yes.

22 Q -- the page and then one in 1980?

23 A Yes. I can -- I know I did not participate  
24 in the one in 1977. It's possible I participated in  
25 the one in 1980. There were a lot of dockets going

1 on, and I can't just pinpoint that particular one.

2 Q And do you recall that the FCC ruled that  
3 restrictions on resale and sharing in AT&T's tariffs  
4 for WATS service should be eliminated in this docket?

5 A Yes. What -- that's the docket, probably,  
6 that opened up WATS for resale. Prior to that point  
7 WATS had not been available for resale. That was the  
8 docket that opened up resale in the interstate arena.

9 Q And referring to Page 7 of Mr. Kupinsky's  
10 testimony, he quotes from the FCC decision itself in  
11 which beginning on Line 5 -- or Line 4: The comments  
12 of potential resellers and sharers persuade us that  
13 the elimination of these restrictions -- referring to  
14 the resale restrictions in AT&T's tariffs -- will have  
15 a number of salutary public interest effects,  
16 including the fostering of innovation in the  
17 introduction of new technology, et cetera, et cetera.

18 And then it goes on in the bold print to  
19 say, "Moreover, lower rates for small to medium  
20 domestic public switch network consumers should  
21 result. We also anticipate a movement on the part of  
22 carriers toward cost based rates, an important  
23 regulatory goal as the prospect of arbitrage actually  
24 arises."

25 Wasn't that the conclusion of the FCC, that

1 tariff arbitrage will have a salutary effect of  
2 lowering prices to consumers toward cost based rates?

3 A What this decision says is exactly what  
4 BellSouth is saying here in this proceeding. What  
5 this proceeding did in 1980, as you referenced, is it  
6 did one thing. It took the resale restriction off of  
7 WATS.

8 However, and most importantly to this  
9 proceeding, it left all the terms and conditions that  
10 are applicable to WATS on the service when a reseller  
11 purchased the service.

12 In other words, after this proceeding and  
13 after AT&T modified its tariffs, a reseller of WATS  
14 had to bear the same terms and conditions as a retail  
15 purchaser of WATS. That's precisely what BellSouth is  
16 saying in this proceeding.

17 Q But that proceeding didn't involve the toll  
18 bypass restriction, did it?

19 A Sir, it's a different service we're talking  
20 about --

21 Q Right.

22 A -- and my point is -- and since you've  
23 raised it -- this is precisely -- this particular  
24 decision is totally consistent with what BellSouth is  
25 proposing here. What we're saying is resellers must

1 abide by the terms and conditions in our retail  
2 tariffs. That's exactly what the FCC --

3 Q But the FCC indicated that the tariff  
4 restrictions prevent tariff arbitrage, and that tariff  
5 arbitrage is good; isn't that right?

6 A Sir, the tariff restriction referenced in  
7 this proceeding is the resale provision. In other  
8 words, prior to this point in time, one could not  
9 resell WATS. There --

10 Q And you've indicated --

11 A -- is no issue in this proceeding as to  
12 whether call forwarding is available for resale.  
13 That's not the issue here.

14 Q But you've indicated that Telenet is  
15 reselling call forwarding, isn't it?

16 A They are reselling call forwarding and--

17 Q Thank you.

18 A -- there's no issue about their selling call  
19 forwarding. The issue is the terms and conditions  
20 under which they're reselling it.

21 Q And you've also indicated that Telenet is  
22 accelerating tariff arbitrage by reselling call  
23 forwarding; isn't that right?

24 A And they certainly are doing that.

25 Q Thank you. Now, you indicated earlier that



1 in your view Telenet did not commence an unbundling  
2 request pursuant to the Telecommunications Act or the  
3 Florida Statutes, 364; is that correct?

4 A Correct.

5 Q But the Commission, the Florida Commission,  
6 has disagreed with you, has it not, in its order  
7 denying BellSouth's motion to dismiss, concluding that  
8 the negotiations commenced by Telenet, as alleged in  
9 its petition in July and August, 1996, could be  
10 interpreted as constituting an unbundling request;  
11 isn't that correct?

12 MS. WHITE: And I'm going to object to the  
13 extent it calls for a legal answer and knowledge of  
14 what pleadings have been filed with regard to  
15 BellSouth's motion to dismiss and Telenet's response  
16 and the Commission's order thereto.

17 If he knows what's in it, then he can give  
18 his opinion of it, that's fine, but he's not a lawyer.

19 WITNESS SCHEYE: I don't know what's in  
20 those orders, but there's nothing in this proceeding  
21 that has anything to do with unbundling.

22 Q So you haven't even read the order denying  
23 the motion to dismiss issued by the Commission on  
24 January 23, 1997, four days before you filed your  
25 rebuttal testimony of January 27, 1997; is that

1 correct?

2           A     I may have glanced at it. I don't know if I  
3 did or didn't.

4           Q     Did you discuss it with your attorneys?

5           MS. WHITE: Excuse me. I will object on the  
6 basis that you're seeking attorney/client privileged  
7 information.

8           Q     (By Mr. Bonner) Did you discuss it with  
9 anyone at BellSouth?

10          A     Not to my recollection.

11          Q     And I was simply -- not asking for the  
12 contents of attorney/client communication, what --  
13 just simply if there were any discussions concerning  
14 the order, yes or no.

15                   I'd like to hand the witness this document,  
16 if I could. First of all, could I ask you a question,  
17 Mr. Scheye? Do you have -- can you give us an  
18 estimate as to what BellSouth's toll revenues were in  
19 the state of Florida in the last year, 1996?

20          A     No.

21          Q     Do you have any idea what the total  
22 intraLATA toll revenue would be in the state of  
23 Florida in 1996?

24          A     No.

25          Q     Does BellSouth maintain records as to its

1 toll revenue in a given state and break it down by the  
2 nature of the services that are being provided?

3       **A**     Yes, certainly. I just don't happen to know  
4 those numbers for Florida.

5       **Q**     And would you expect there to be figures  
6 breaking down that information by region or by the  
7 LATAs within a given state?

8               **MS. WHITE:** I'm going to object on the basis  
9 that this is an answer to an interrogatory, and  
10 Mr. Scheye should be allowed to make sure he's seen it  
11 before he answers the question.

12               **MR. BONNER:** Please feel free to coach your  
13 witness, counsel.

14               **MS. WHITE:** I'm not coaching my witness.  
15 You're asking questions --

16               **MR. BONNER:** All right.

17               **MS. WHITE:** -- on an interrogatory --

18               **MR. BONNER:** No. I'm asking him a question  
19 of his general knowledge as to BellSouth's business  
20 practices. You're attempting to coach your witness  
21 by --

22               **MS. WHITE:** I'm not attempting to --

23               **MR. BONNER:** -- by telling him --

24               **MS. WHITE:** (inaudible; overlap)

25               **MR. BONNER:** (inaudible; overlap)

1           **MS. WHITE:** You're playing games. I'm  
2 trying to let's get through this. You're asking him  
3 essentially the same question that is Interrogatory  
4 No. 2. "Does BellSouth have reports of revenues from  
5 intraLATA toll charges kept on a LATA basis?"

6           **Q**        **(By Mr. Bonner)** Do you know the answer to  
7 that question that your counsel was kind enough to  
8 read from the interrogatory?

9           **MS. WHITE:** That wasn't the answer. That  
10 was the question.

11          **Q**        **(By Mr. Bonner)** Will you please answer the  
12 question?

13          **A**        I believe the answer is no.

14          **Q**        Do you know how BellSouth might maintain  
15 intraLATA toll revenue through various parts of the  
16 state of Florida?

17          **A**        Probably on a statewide basis.

18          **Q**        So you can't say whether or not it's broken  
19 down by region within a state?

20          **A**        No, sir, I don't know that.

21                **MR. BONNER:** I would like to make a request  
22 for a late-filed exhibit from BellSouth for its total  
23 intraLATA toll revenue for the last three years  
24 throughout the state of Florida and any manner in  
25 which it maintains that intraLATA toll revenue for the

1 same period of time, broken down by region or by LATA,  
2 and specifically for the southeast Florida LATA or any  
3 parts thereof, whether it's broken -- if it's not  
4 broken down by LATA, then by region. But we do need  
5 to receive some information about the intraLATA toll  
6 revenue, and this may have been --

7 MS. WHITE: For the last how many years?

8 MR. BONNER: Three years.

9 MS. WHITE: Maybe we should go off the  
10 record for a minute.

11 MR. PELLEGRINI: Sure.

12 (Discussion off the record.)

13 MR. BONNER: Back on the record? Telenet  
14 has just served BellSouth in response to its request  
15 yesterday during the deposition of Mr. Kupinsky with  
16 Page 2 of Exhibit MAK-7 to the deposition of -- or to  
17 the direct testimony of Mitchell Kupinsky, which was  
18 inadvertently excluded from the list of the exhibits  
19 to Mr. Kupinsky's direct testimony. The Commission  
20 Staff has also been provided with a copy.

21 I have also indicated --

22 MR. PELLEGRINI: I don't have a copy.

23 MR. BONNER: (Handing document to  
24 Mr. Pellegrini.)

25 As to the second late-filed request from

1 BellSouth, I have inquired of my client as to whether  
2 or not any other information exists. I have been  
3 informed that they do not have additional information  
4 concerning account numbers for each of these orders;  
5 but that, to my belief, would be more easily  
6 obtainable by BellSouth in its records of order forms.

7           And I'm also told that Mr. Kupinsky has  
8 indicated that he placed the orders for lines  
9 personally -- that's Mr. Mitchell Kupinsky -- which  
10 would supplement -- provide supplementary information  
11 that I gather was not inquired of during his  
12 deposition yesterday.

13           And does BellSouth now want to make an  
14 indication as to a late-filed exhibit that it agrees  
15 to file?

16           MS. WHITE: Yes. The petitioner has asked  
17 for a Late-filed Exhibit 1, which I guess we'll call  
18 intraLATA toll, BellSouth intraLATA toll revenue for  
19 Florida for 1994 through 1996, and BellSouth will  
20 provide that information on Monday.

21           It will be intraLATA toll revenue for the  
22 state of Florida for those years mentioned. BellSouth  
23 does not maintain intraLATA toll revenue data on a  
24 LATA or region basis, but on a statewide basis, so  
25 that's what we will provide on Monday via fax to

1 Mr. Bonner.

2 MR. BONNER: Thank you. Back on the record?

3 MR. PELLEGRINI: Yes.

4 Q (By Mr. Bonner) Is it your understanding,  
5 referring to BellSouth response to Interrogatory No. 1  
6 which I've handed you, Mr. Scheye, that BellSouth does  
7 not maintain -- does not have any scientific or  
8 engineering studies or surveys concerning the traffic  
9 impact upon the BellSouth portion of the public switch  
10 telephone network concerning the use of call  
11 forwarding services by Telenet?

12 A Yes.

13 Q And that is confirmed by the interrogatory  
14 answer from Barbara Cruitt, director of capacity  
15 management of BellSouth in Miami?

16 A Yes.

17 Q And, furthermore, referring to response to  
18 Interrogatory No. 3, is it your understanding that  
19 BellSouth does not have any cost studies concerning  
20 the -- for the last three years in providing nonflat  
21 rated intraLATA toll telephone service to BellSouth  
22 customers in either the south Florida LATA or  
23 throughout the state of Florida?

24 A Yes.

25 Q And that is confirmed by the answer to

1 Interrogatory No. 3 provided by BellSouth employee Reg  
2 Starks, director of cost in Atlanta, Georgia?

3 A Yes.

4 MR. BONNER: I would like to have these  
5 answers to Telenet's data requests attached as an  
6 exhibit.

7 MS. WHITE: That's fine with me.

8 MR. BONNER: Can we make this Telenet  
9 Exhibit 1 to the deposition?

10 MS. WHITE: It would really be 2.

11 MR. PELLEGRINI: 2. Do you wish to identify  
12 it, Mr. Bonner?

13 MR. BONNER: Telenet Exhibit 2 to the  
14 deposition of Mr. Scheye is BellSouth's February 6th,  
15 1997 responses to Telenet of South Florida's first set  
16 of interrogatories -- I think it's referred to as  
17 interrogatories and the response, but I think it was  
18 referred to as data requests by Telenet -- served upon  
19 the Commission on the same date by Ms. White.

20 (Deposition Exhibit 2 marked for  
21 identification.)

22 Q (By Mr. Bonner) Would you have any idea as  
23 to which of the Florida LATAs, BellSouth Florida  
24 LATAs, provide -- would provide the greatest amount of  
25 intraLATA toll revenue to BellSouth?



1           A     No.

2           Q     Would it be fair to say that given the  
3 population, the heavy population base and geographic  
4 configuration of the southeast Florida LATA, that it  
5 would likely provide the largest amount of intraLATA  
6 toll to BellSouth for the state of Florida?

7           A     I'm not familiar enough with the local and  
8 the toll calling areas by LATA to draw that  
9 conclusion. I'm not saying you're wrong. I just  
10 don't know.

11          Q     Can I refer you, please, to Page 8 of  
12 your -- I believe it's your rebuttal testimony.

13          A     Yes, I have it.

14          Q     And specifically Lines 21 and continuing  
15 where you refer to volume discounts.

16          A     Yes.

17          Q     19 through 25. You're comparing volume  
18 discounted services under the FCC order with the use  
19 and restriction of toll bypass there, are you not?

20          A     It's simply an analogy. I wouldn't call it  
21 comparison services. It's simply in there for  
22 analogous purposes.

23          Q     You would agree that toll bypass  
24 restrictions were not specifically addressed in the  
25 FCC order; isn't that right?

1           A     Yes, I would agree with that, sir.

2           Q     And when a customer gets a volume discount  
3 on bulk purchases of service, that is not a service  
4 restriction per se, is it?

5           A     No, sir. Part of the service.

6           Q     Does BellSouth receive ongoing regular  
7 notices of every application for certification filed  
8 by a perspective ALEC within the state of Florida?

9           A     I don't know if we get every one of them.  
10 We certainly get some, but I can't say that we get  
11 every one of them. I don't know.

12          Q     Does your office receive those, or would  
13 that be another office?

14          A     If they were received, they would be  
15 received here in Tallahassee.

16          Q     By Ms. Sims?

17          A     Or someone in that office.

18          Q     Ms. Sims is the regulatory director for the  
19 state of Florida?

20          A     Yes.

21          Q     Do you know for a fact if BellSouth did not  
22 receive the -- any notice of Telenet's application for  
23 certification in the state of Florida?

24          A     No. I don't know that we didn't receive it.

25          Q     Have you discussed that with Ms. Sims or

1 with anyone in her department as to whether or not  
2 BellSouth did receive notice of that proceeding?

3 A No.

4 Q Would participation in such a proceeding for  
5 certification by Telenet be open to the public,  
6 including all incumbent LECs within the state of  
7 Florida?

8 A I'm not that familiar with the process in  
9 Florida, but I don't believe they hold hearings for  
10 certificates.

11 Q Would parties, third parties such as all  
12 incumbent LECs within the state of Florida, have an  
13 opportunity to object or file a petition challenging  
14 certification by an ALEC within the state of Florida?

15 A Again, I'm not that familiar with that  
16 process, sir.

17 Q Do you know whether or not BellSouth has  
18 intervened or petitioned to challenge ALEC  
19 certification by any ALECs within the state of Florida  
20 within the last year?

21 A Not to my knowledge we have not challenged  
22 any.

23 Q Has BellSouth filed any comments concerning  
24 the terms under which ALEC certification ought to be  
25 granted in any case within the state of Florida?

1           A     Not to my knowledge.

2           Q     Do you know if at any time BellSouth has  
3 suggested to the Florida Public Service Commission  
4 that Telenet should have acquired an IXC certification  
5 rather than an ALEC certification?

6           A     I can't imagine that we could have, since we  
7 had no idea that they were even providing  
8 communication services in the state of Florida.

9           Q     Well, if BellSouth had taken an interest in  
10 and had intervened within the ALEC certification  
11 process, it could have determined that, could it not?

12          A     No, sir. All a certificate does is allows a  
13 company to provide service. Whether they do it, when  
14 they do it, how they do it is not necessarily  
15 something we would follow. Once a certificate is  
16 granted, the carrier may or may not use it.

17          Q     But isn't it true that BellSouth could  
18 intervene in a certification application and make  
19 recommendations to the Commission as to what  
20 certification ought to be issued and under what  
21 conditions?

22          A     I don't know if anyone has intervention  
23 status in a certification process, sir. I just don't  
24 know. I'm not that familiar with the process, but I  
25 doubt there would have been any way to tell from

1 anything we would have seen to notice any one thing or  
2 another.

3 Q Are you saying you've never heard of an  
4 incumbent LEC challenging or objecting to a  
5 certification proceeding by an alternative local  
6 exchange carrier?

7 A No, sir. I know that has occurred, and  
8 BellSouth has objected in some other states for  
9 particular carriers. I don't know particularly about  
10 what the situation here in Florida is.

11 Q It's true, is it not, that when Telenet  
12 carries its customers' calls, that those actual calls  
13 never leave the BellSouth network?

14 A Other than they go through this IVR, but  
15 they never go through another network; that's probably  
16 correct.

17 Q And they're carried on BellSouth's lines?

18 A Yes, they certainly are.

19 Q And when an IXC carries the call, such as  
20 AT&T or MCI or LDDS, they carry the call to their  
21 network; is that right?

22 A Unless they resell someone else's service.

23 Q So the answer is yes, unless they resell  
24 someone else's service?

25 A Yes. Either they have their own network, or

1 they resell someone else's service, or both.

2 Q Let's move to the subject of local calling  
3 areas for a few minutes. Do you know how Telenet  
4 defines its local calling area within the southeast  
5 Florida LATA?

6 A They're defined in the tariffs.

7 Q Do you know how Telenet defines --

8 A Oh.

9 Q -- its local calling area, not how  
10 BellSouth --

11 A I'm sorry. I misunderstood your question.  
12 No. As far as I can tell, they do not provide local  
13 service, so they have no local calling area.

14 Q I know you indicated you didn't participate  
15 in Mr. Kupinsky's deposition yesterday, but assume, if  
16 you will, for the purpose of my next question, that  
17 Mr. Kupinsky testified that Telenet's local calling  
18 area is the entire area identified in MAK Exhibit 1,  
19 which is the diagram you've reviewed.

20 If that's the case, isn't it fair to say  
21 that BellSouth's local calling areas in southeast  
22 Florida differ substantially from Telenet's local  
23 calling area.

24 A Well, my understanding is there is no such  
25 thing as a Telenet local calling area, so to that

1 extent, there's clearly a difference, because  
2 BellSouth provides local service and for each local  
3 service in each exchange that has a local calling area  
4 defined. To my knowledge, Telenet does not provide  
5 any local service; therefore, it can't have a local  
6 calling area.

7 Q Well, there can be -- you do acknowledge  
8 there's an essential difference of opinion here  
9 between BellSouth and Telenet as to whether or not  
10 Telenet is providing local service or not, don't you?

11 A If they're providing it, they're providing  
12 it in noncompliance with their own tariff.

13 Q Why do you say that?

14 A Because their tariff says they don't provide  
15 local service.

16 Q The tariff says they're not providing basic  
17 local service?

18 A It's the only kind I know, sir. The word  
19 "basic" is -- local service is local service.

20 Q Can't basic local service be interpreted as  
21 a dial tone?

22 A Local service is local service. Basic or  
23 otherwise, it's local service. You have local and you  
24 have toll. I mean, our world isn't that complicated.  
25 They don't provide local service, and their tariff

1 states that fact.

2 MR. PELLEGRINI: Excuse me, Mr. Bonner. Off  
3 the record.

4 (Discussion off the record.)

5 Q (By Mr. Bonner) Would you agree it's not  
6 uncommon for an incumbent LEC and an ALEC to have  
7 different calling areas in the state of Florida?

8 A It's our expectation that the new ALECs will  
9 have local calling areas that generally map ours.

10 Q Isn't it true that that's the subject of an  
11 ongoing dispute between ALECs and BellSouth and -- in  
12 the state of Florida as to whether or not local  
13 calling areas match up?

14 A No, sir, there's no disputes.

15 Q There are no disputes?

16 A Not to my knowledge.

17 Q Are you aware of that -- of the ongoing  
18 proceedings here in the state of Florida concerning  
19 determination of local calling areas?

20 A No, sir, I'm not, but between --

21 Q Between ALECs and BellSouth.

22 A Essentially, all the facility based carriers  
23 operational in the state of Florida have agreements  
24 that I negotiated; Teleport, Sprint Metropolitan  
25 Intermedia, Time Warner, and I'm sure there's several



1 more.

2 I spent a lot of time in those agreements  
3 discussing that issue with each of those carriers.  
4 Each of our negotiated agreements specify how we will  
5 deal and interpret and define local calling, between  
6 the two parties at least.

7 Now, to the extent that the Commission and  
8 those parties have some disagreement, that certainly  
9 may exist, but there's certainly no disagreement  
10 between BellSouth and those parties as to what's local  
11 and what's not local.

12 Q An ALEC has no control over the assignment  
13 of NXX codes; isn't that right? That's something  
14 that's determined by the incumbent LEC, BellSouth?

15 A No, sir. They install the NXX code in their  
16 own switch and do with it what they want. We have no  
17 control over it.

18 Q Doesn't BellSouth actually assign the NXX  
19 codes to the ALEC?

20 A We provide the code to them. They put it in  
21 their switch. They determine how it is used.

22 Q Well, that's what I was getting at, who  
23 actually controls the pool of NXX codes and how they  
24 assign and apportion amongst ALECs. And that's a  
25 function of BellSouth, not the individual ALEC; isn't

1 that correct?

2           A     Actually, the function is controlled by  
3 BellCore, Bell Communications Research. BellSouth in  
4 the state of Florida is the provider of that  
5 information to BellCore as its local representative,  
6 if you will, but BellSouth does not determine how  
7 anyone uses their codes and how many codes they can --  
8 or can't be provided.

9           To date there's been, to my knowledge, no  
10 disagreement about code assignment in the state of  
11 Florida. To the extent that there was some issue, I  
12 assume BellCore would have to be involved, since they  
13 are actually the administrator of the North American  
14 Numbering Plan.

15           Q     Okay. So BellCore, which is affiliated with  
16 BellSouth, is the actual number administrator for the  
17 assignment of NXXs in the state of Florida?

18           A     BellCore is no longer affiliated with  
19 BellSouth. It was sold last year.

20           Q     Oh, okay. At any rate, the former  
21 affiliated BellCore, which is not affiliated with any  
22 of the ALECs, controls the numbering administration of  
23 NXXs.

24           A     BellCore, which was at one point in time in  
25 its life partially owned by BellSouth, is the North

1 American numbering administrator, or has been since  
2 divestiture. None of the regents that used to own  
3 BellCore had any influence on the administration. That  
4 was strictly BellCore's operation and responsibility.

5 Q Isn't it true that if Telenet had statewide  
6 authority in the state of Florida to provide local  
7 service, that a call that is considered local for a  
8 Telenet customer could be just as easily considered a  
9 toll call for a BellSouth customer?

10 A Telenet can determine its own local calling  
11 area if it provided local service, yes.

12 Q And hasn't the Florida Public Service  
13 Commission directed that incumbent LECs and  
14 alternative LECs work out how they're going to define  
15 their respective local calling areas?

16 A I don't know if the Commission explicitly  
17 said that. They may have. I'm just not that familiar  
18 with it. But as I mentioned, in all the agreements  
19 that we have with carriers who have their own switches  
20 where they have NXX codes, our agreements very  
21 explicitly talk about how local calling areas will be  
22 dealt between the parties and how nonlocal calls will  
23 be treated. So there's never been an issue between  
24 BellSouth and one of those parties in that area.

25 Q Not to your knowledge.

1           A     And as I said, I believe, to my knowledge, I  
2 negotiated all of the voluntarily negotiated  
3 agreements with the parties in the state of Florida.  
4 In the AT&T, MFS and MCI arbitrations, that was not an  
5 issue that was raised with -- it was arbitrated.

6           Q     But you, yourself, indicated there were 40  
7 different agreements with ALECs in the state of  
8 Florida, aren't there?

9           A     The majority of those are with resellers who  
10 don't necessarily have unique local calling areas --  
11 issues with us.

12          Q     What about other facilities based carriers  
13 other than AT&T, MFS and MCI --

14          A     Sprint Metropolitan, Intermedia, Teleport,  
15 Continental Cable, ACSI, I participated in those  
16 negotiations. I don't know if there are -- anybody  
17 else providing facilities.

18          Q     Have you been involved in post-agreement  
19 issues that have been raised by the parties before the  
20 Commission?

21          A     Some yes, some no, I guess on a general  
22 statement like that.

23          Q     If I could please refer you to Page 12 of  
24 your direct.

25          A     Yes.

1 Q What's your understanding as to when the  
2 initial orders for service were placed by Telenet or  
3 Telenet representatives?

4 A I believe it was October or November, 1995.

5 Q Referring to your rebuttal Page 13, please,  
6 Line 1.

7 A Yes.

8 Q The sentence beginning "Telenet has not  
9 previously made an unbundling request with BellSouth,  
10 nor has unbundling been an issue in discussions with  
11 Mr. Kupinsky or Telenet about their accounts."

12 A Yes.

13 Q You have no personal knowledge to support  
14 that statement, do you?

15 A Other than what people have told me, that's  
16 correct, sir.

17 Q That testimony is based entirely on hearsay  
18 that you've heard from other BellSouth persons?

19 A It's from the people who deal with Telenet  
20 on a regular basis yes.

21 Q However, you're not suggesting by that  
22 statement that Telenet did not, in fact, request  
23 multipath call forwarding in negotiations with  
24 BellSouth in July and August, 1996, are you?

25 A I don't know that the two have anything to

1 do with each other. Multipath call forwarding is a  
2 retail service. To the extent they wanted to purchase  
3 it through a negotiation, there would be resale of  
4 that service. So that would still not be an  
5 unbundling request.

6 Q Okay. Well, you've already indicated that  
7 Telenet is not actually reselling call forwarding  
8 service to its customers. So isn't that -- couldn't  
9 that be construed as unbundling?

10 A No, sir, it cannot be construed as anything  
11 but resale, because that's what it is.

12 Q That's your opinion; is that correct?

13 A No, sir, that's a fact; no opinion involved.

14 Q Why do you say that's a fact if you weren't  
15 even participating in these negotiations?

16 A Sir, you just asked me a question about call  
17 forwarding. And it is a retail service. There's no  
18 one disagrees with that. They purchased it from the  
19 tariff. They want to use it for another purpose.  
20 That is called resale. There's no question about what  
21 the provision is. Resale is resale.

22 If you take a service and you use it for  
23 profit, it is called resale. The FCC rules say that.  
24 The Telecom Act says that. The statute in the state  
25 of Florida says that. The statute in every other

1 state in the country says that. There's nothing new  
2 or imaginative about the term "resale." It's not a  
3 term of art.

4 Q Have you ever heard of the term "sham  
5 unbundling," Mr. Scheye?

6 A Sham unbundling, yes.

7 Q And what's your understanding of what sham  
8 unbundling is?

9 A Sham unbundling is where carriers  
10 essentially try to purchase resale services by the  
11 unbundled components separately and putting them back  
12 together, and bypass or get around the resale  
13 provisions.

14 Q And to repackage elements that they purchase  
15 separately, and then form -- create a new service,  
16 essentially?

17 A Not a new service. That's the point, sir.  
18 They create an identical service that's already  
19 available in the retail tariff that would be available  
20 for resale.

21 Q Well, isn't that very close or similar to  
22 what Telenet is doing here? Simply acquiring an  
23 element of the service and using it for -- the call  
24 forwarding feature and using it to provide their own  
25 service to their customers?

1           A     No, sir. What Telenet is doing is reselling  
2 call forwarding. There's no other way to describe it.  
3 That's what they're doing. It's not even in  
4 contention in this proceeding. I think everybody  
5 agrees that it's resale. So what Telenet is doing is  
6 reselling call forwarding.

7           Q     You say everybody agrees it's resale, but  
8 you haven't even read the Commission's orders in which  
9 they have concluded this could be construed as  
10 unbundling --

11          A     You can construe the proceeding as  
12 unbundling, but what Telenet is currently doing is  
13 reselling call forwarding. That's all I'm saying.

14          Q     Have you read Telenet's petition for  
15 arbitration?

16          A     Yes, sir; some time ago.

17          Q     And does not Telenet request unbundling in  
18 that petition?

19          A     Sir, I believe it's mentioned. But what I'm  
20 talking about here, so we're all clear, is, number  
21 one, what Telenet is currently doing is reselling --

22          Q     I heard your testimony. Thank you.

23          A     And, secondly, they have not requested  
24 through negotiations either resale or an unbundling  
25 request. So they could make a request for unbundling,



1 certainly, like any other party can.

2 Q But if the Commission has concluded that --  
3 or has concluded or will conclude that Telenet has, in  
4 fact, made an unbundling request as of July, 1996, it  
5 would not need to make another request for unbundling,  
6 would it?

7 MS. WHITE: Excuse me. I guess I'm a little  
8 confused, or maybe we need to go off the record for  
9 this; but I thought we had a conversation about this  
10 just recently as to whether this was an unbundling  
11 case or there was a case about the issue that's  
12 involved, the restriction on the call forwarding  
13 tariff. And I thought Telenet's position was that,  
14 yes, they agreed with what the issue was; it really  
15 wasn't an unbundling case. And now it seems to be  
16 coming back in again, so I'm just a little confused.

17 MR. BONNER: My question stands. I'd like  
18 to get an answer to the question. We can engage in  
19 legal arguments before the Commission, but this is a  
20 fact-finding deposition.

21 MS. WHITE: This is a factual issue. I  
22 thought the three of us were on a call. So I guess  
23 I'm asking am I losing my mind, or did I hear that.  
24 Did we have that conversation?

25 MR. BONNER: The tariff restrictions --

1           MR. PELLEGRINI: I think what you say is  
2 correct. However, it doesn't prohibit the question.

3           MS. WHITE: I understand it doesn't prohibit  
4 the question. I just wanted some clarification here.

5           MR. BONNER: And I would respond to that  
6 that there was no agreement that unbundling is not at  
7 issue, because BellSouth has, in fact, made it an  
8 issue.

9           The tariff restriction is inextricably  
10 intertwined with whether or not BellSouth has an  
11 obligation to unbundle services and/or to resell the  
12 service to competitors. You can't take one without  
13 the other, and whether or not the issue is framed as  
14 to whether or not this is unreasonable or not -- a  
15 tariff restriction does not mean that unbundling is  
16 not necessarily before this Commission to be decided.  
17 I think the Commission's order expressly recognizes  
18 that.

19           MS. WHITE: And I'm going to respond to that  
20 because I have to, but you're just flat out, dead  
21 wrong. You said on this conversation that unbundling  
22 elements, network elements, was not an issue in this  
23 docket --

24           MR. BONNER: I said that?

25           MS. WHITE: -- tariff restriction. It was

1 either you or Collin Alberts, because it was one of  
2 you who were on the phone. So, anyway --

3 MR. BONNER: The petition speaks for itself  
4 and the order speaks for itself.

5 MS. WHITE: And we went through both of  
6 those when we had this conversation, but --

7 MR. BONNER: We'll check the records --

8 MS. WHITE: But Commission Staff was also  
9 witness to the conversation.

10 Q (By Mr. Bonner) Do you remember the  
11 question?

12 A No, sir, I don't.

13 Q Let's see if I do. My question was, if the  
14 Commission -- if Telenet has alleged in its petition  
15 for arbitration, and the Commission has in fact  
16 concluded that -- in its order denying BellSouth's  
17 motion to dismiss, that Telenet made what was an  
18 unbundling request of BellSouth in July of 1996,  
19 Telenet would not need to make a new unbundling  
20 request of BellSouth, would it?

21 A Yes. I think they would. They would have  
22 to tell us that they want to negotiate, what they want  
23 to negotiate, if they want to negotiate resale or if  
24 they want to negotiate unbundling. We have to know  
25 what we're dealing with.

1 Commission determination of what could be at  
2 issue in this proceeding is not at all relevant to  
3 trying to determine what Telenet does or doesn't need.

4 MR. BONNER: I have no further cross  
5 examination at this time. Thank you, Mr. Scheye.

6 WITNESS SCHEYE: Thank you.

7 MS. WHITE: I have some questions.

8 EXAMINATION

9 BY MS. WHITE:

10 Q Mr. Bonner was asking you about the FCC  
11 resale of WATS service docket that was mentioned in  
12 Mr. Kupinsky's testimony. Do you recall that?

13 A Yes.

14 Q Do you recall whether AT&T was allowed to  
15 reprice WATS before resale was required?

16 A Yes, they were.

17 Q And what was the price? How was WATS priced  
18 before resale?

19 A Essentially it was all flat rate, and after  
20 the resale restriction was removed, they were allowed  
21 to put more of a usage sensitive type price on it.

22 Q Mr. Bonner also asked you some questions  
23 about BellCore being the North American numbering plan  
24 administrator.

25 A Yes.

1 Q Do you recall that?

2 A Yes.

3 Q Is that going to continue?

4 A No. There will be a bid put out for a new  
5 administrator, and that will be determined later this  
6 year or next year.

7 Q Now, can you tell me how many signed resale  
8 agreements there are in Florida between BellSouth and  
9 ALECs?

10 A In the state of Florida I'm going to  
11 estimate in excess of 30.

12 Q And how many of those 30 agreements were  
13 required to be submitted to the PSC for approval?

14 A They all either have been or will be before  
15 the carriers can operate.

16 Q Now, Mr. Bonner and, I think, Mr. Pellegrini  
17 were asking you some questions concerning the impact  
18 of Telenet's call forwarding traffic on the capability  
19 of BellSouth's network. Do you recall those  
20 discussions?

21 A Yes.

22 Q Will Telenet's traffic by itself exceed the  
23 capability of BellSouth's network?

24 A No, I would doubt it.

25 Q If other carriers in addition to Telenet

1 used the method of carrying toll traffic that's being  
2 used by Telenet, would there be an impact on the  
3 network?

4 A Then there could be a very relatively  
5 significant impact.

6 Q Is it fair to say that's one of the reasons  
7 why there's restrictions?

8 A Yes.

9 MR. BONNER: Object to the form of the  
10 question.

11 Q (By Ms. White) On MAK-2, that's one of the  
12 exhibits to Mr. Kupinsky's direct testimony, I believe  
13 it's a letter dated November 3rd, 1995 --

14 A Yes.

15 Q -- from Ruth Margolis to Mr. Hudson and  
16 Mr. Kupinsky, do you recall that you had some  
17 discussion with Mr. Bonner on that?

18 A Yes.

19 Q Would you take a look at this letter and see  
20 if you can tell me whether the name of Telenet appears  
21 anywhere on the letter or in the address?

22 A No, it does not.

23 MR. BONNER: Objection, asked -- well, I'm  
24 sorry. Go ahead. That's fine.

25 Q (By Mr. Bonner) I'm sorry. I didn't

1 hear --

2 A No, it does not. The term "Telenet" or the  
3 word "Telenet" is not there.

4 Q And, Mr. Scheye, the restriction or  
5 condition, or however we want to phrase it, that is at  
6 issue here, am I correct in that that's the one that  
7 says call forwarding shouldn't be used to bypass toll?

8 A That's correct.

9 Q And where in the tariff does that appear?  
10 Where in the call forwarding --

11 A If I can find the tariff. (Pause)  
12 Section A-13.9.1(a)(1).

13 Q And does that section of the title have the  
14 tariff -- section of the tariff have a title? Sorry  
15 about that. Does that section of the tariff have a  
16 title?

17 A It is titled A-13, "Miscellaneous Service  
18 Arrangements Description."

19 Q So would it be fair to say that's a  
20 description of the service?

21 A Yes. And it's -- A-13.9 is called Custom  
22 Calling Services.

23 Q Mr. Scheye, have you ever been involved in  
24 approvals or dockets involving tariff approvals with  
25 this Commission?

1           A    No.

2           MS. WHITE: Thank you. I have nothing  
3 further.

4           MR. PELLEGRINI: Staff has no further  
5 questions.

6           MR. BONNER: Telenet has no further  
7 questions.

8                    (Deposition concluded at 12:15 p.m.)

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This is to certify that I, ROBERT C. SCHEYE, have read the foregoing transcription of my testimony, Page 1 through 148 given on February 7, 1997, in Docket No. 961346, and find the same to be true and correct, with the exceptions, and/or corrections, if any, as shown on the errata sheet attached hereto.

\_\_\_\_\_  
ROBERT C. SCHEYE

Sworn to and subscribed before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ by ROBERT C. SCHEYE.

\_\_\_\_\_  
NOTARY PUBLIC

State of \_\_\_\_\_

Personally know to me \_\_\_\_\_ or produced identification\_\_\_\_\_

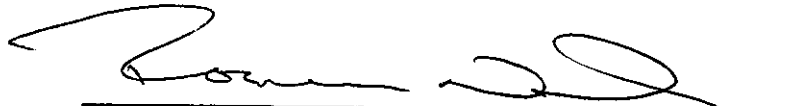
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CERTIFICATE OF OATH

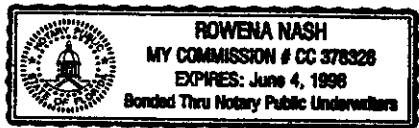
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I, the undersigned authority, certify that  
ROBERT C. SCHEYE personally appeared before me and was  
duly sworn.

WITNESS my hand and official seal this 7th  
day of February, 1997.



ROWENA NASH  
Notary Public - State of Florida



1 STATE OF FLORIDA)  
 : CERTIFICATE OF REPORTER  
 2 COUNTY OF LEON )

3 We, Rowena Nash and H. Ruthe Potami, CSR,  
 4 RPR, Official Commission Reporters,

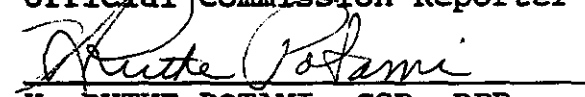
5 DO HEREBY CERTIFY that we were authorized to  
 and did stenographically report the foregoing  
 6 deposition of Robert C. Scheye.

7 We FURTHER CERTIFY that this transcript,  
 consisting of pages, constitutes a true record of the  
 8 testimony given by the witness.

9 We FURTHER CERTIFY that we are not a  
 relative, employee, attorney or counsel of any of the  
 10 parties, nor are we a relative or employee of any of  
 the parties' attorney or counsel connected with the  
 11 action, nor are we financially interested in the  
 action.

12 DATED this 7th day of February, 1997.

13   
 ROWENA NASH  
 14 Official Commission Reporter

15   
 H. RUTHE POTAMI, CSR, RPR  
 16 Official Commission Reporter

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Docket 961346-TP  
Robert S. Scheye  
Late Filed Deposition Exhibit #1

**REQUEST:** Provide BellSouth Telecommunications, Inc. intrastate toll revenues for Florida for the most recent three years.

**RESPONSE:**

1993	\$358,860,000
1994	\$360,035,000
1995	\$291,456,000

Data for 1996 is not available.

Legal Department

NANCY B. WHITE  
General Attorney

BellSouth Telecommunications, Inc.  
150 South Monroe Street  
Room 400  
Tallahassee, Florida 32301  
(404)335-0710

February 6, 1997

Mrs. Blanca S. Bayo  
Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399

RE: Docket No. 961346-TP

Dear Mrs. Bayo:

Today, BellSouth Telecommunications, Inc. served its Responses to Telenet of South Florida's First Set of Interrogatories dated January 24, 1997.

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 on the parties shown on the attached Certificate of Service.

Sincerely,

Nancy B. White 

Nancy B. White

Enclosures

cc: All Parties of Record  
A. M. Lombardo  
R. G. Beatty  
W. J. Ellenberg



150

BellSouth Telecommunications, Inc.  
Docket No. 961346-TP  
Telenet's First Set of Interrogatories  
January 27, 1997  
Item No. 1 Amended  
Page: 1 of 1

**REQUEST:** Does BellSouth Telecommunications, Inc. ("BellSouth") have in its possession or control any scientific or engineering studies or surveys conducted by BellSouth or any of its affiliates of the traffic impact upon the BellSouth portion of the public switched telephone network ("PSTN") in the State of Florida of the use of Call Forwarding services by Telenet of South Florida ("Telenet")? Does BellSouth have in its possession or control any traffic impact study or survey conducted by BellSouth or any of its affiliates which considers the impact of the use of Call Forwarding services by the public at large upon the PSTN in the State of Florida or any portion thereof? Please provide all reports and documents pertaining to these studies or surveys.

**RESPONSE:** No.

**INFORMATION PROVIDED BY:** Barbara Cruitt  
Director Capacity Management  
Miami, FL

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BellSouth Telecommunications, Inc.  
Docket No. 961346-TP  
Telenet's First Set of Interrogatories  
January 27, 1997  
Item No. 2 Amended  
Page: 1 of 1

**REQUEST:** Does BellSouth have in its possession or control any reports that have been created by or for BellSouth or any of its affiliates that determine the total amount of revenue received by BellSouth in each of the last three years from intraLATA toll charges levied upon BellSouth customers in the South Florida LATA? Please provide all documents pertaining to these reports.

**RESPONSE:** No. BellSouth does not maintain intraLATA toll revenue data on a LATA basis.

**INFORMATION PROVIDED BY:** Sharman Southall,  
Manager Consumer Forecasting  
675 West Peachtree Street  
Atlanta, GA 30375

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BellSouth Telecommunications, Inc.  
Docket No. 961346-TP  
Telenet's First Set of Interrogatories  
January 27, 1997  
Item No. 3 Amended  
Page: 1 of 1

**REQUEST:** Does BellSouth in its possession or control any reports that have been created by or for BellSouth or any of its affiliates that determine the total forward-looking economic costs incurred by BellSouth in each of the last three years in providing non-flat-rated, toll intraLATA telephone service to BellSouth customers in the South Florida LATA? Please provide all documents pertaining to these reports.

**RESPONSE:** BellSouth does not conduct cost studies on a LATA basis. Moreover, BellSouth does not have a cost study for intraLATA toll for the State of Florida.

**INFORMATION PROVIDED BY:**

Reg Starks  
Director Cost  
675 West Peachtree St.  
Atlanta, GA 30375

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CERTIFICATE OF SERVICE  
DOCKET NO. 961346-TP

I HEREBY CERTIFY that a true and correct copy of the  
foregoing was served via Federal Express this 6th day of  
February, 1997 to the following:

Douglas G. Bonner  
Colin M. Alberts  
SWIDLER & BERLIN, CHARTERED  
3000 K Street, N.W., Suite 300  
Washington, D.C. 20007  
Attys. for Telenet

Charles Pellegrini  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Nancy B. White (m)

154

FLORIDA

ISSUED: July 1, 1996

BY: Joseph P. Lacher, President - FL  
Miami, Florida

EFFECTIVE: July 15, 1996

**A13. MISCELLANEOUS SERVICE ARRANGEMENTS<sup>1</sup>**

(N)

**A13.5 Arrangement for Night, Sunday and Holiday Service (Cont'd)**

A. (Cont'd)

1. Central Office Equipment (Cont'd)

	Nonrecurring Charge	Monthly Rate	USOC
(a) Each <sup>2,3,4</sup>	\$17.55	\$1.00	TTA
2. Directory Listings			
(a) Each <sup>5</sup>	-	-	NA

**A13.6 Group Emergency Alerting and Dispatching Systems - (Obsoleted, See A113.1)**

**A13.7 Reserved for Future Use**

**A13.8 Reserved for Future Use**

**A13.9 Custom Calling Services**

**A13.9.1 Description**

A. Custom Calling services are auxiliary features provided in addition to basic telephone service. Custom Calling services consist of the following features:

1. Call Forwarding Variable - This provides an arrangement for transferring incoming calls to another local service telephone number by dialing a code and the number of the service to which calls are to be transferred. In addition, calls may be transferred to a long distance message telecommunications point subject to the availability of the necessary facilities in the central office from which the calls are to be transferred. Call Forwarding shall not be used to extend calls on a planned and continuing basis to intentionally avoid the payment in whole or in part, of message toll charges that would regularly be applicable between the station originating the call and the station to which the call is transferred.

Note 1: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

Note 2: Only one central office line in each Hunt Group can be associated with any one (1) night service number.

Note 3: This rate is in addition to any charges for equipment that may be required on the customer's premises to activate the service or any control channel that may be required between the central office and the customer's premises.

Note 4: Service connection charges as outlined in Section A4 of this Tariff apply as appropriate.

Note 5: Rates for directory listings are as specified in Section A6 of this Tariff.

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FLORIDA

ISSUED: July 5, 1996

EFFECTIVE: July 26, 1996

BY: Joseph P. Lacher, President -FL  
Miami, Florida

## A13. MISCELLANEOUS SERVICE ARRANGEMENTS

(7)

### A13.9 Custom Calling Services (Cont'd)

#### A13.9.1 Description (Cont'd)

- A. Custom Calling services are auxiliary features provided in addition to basic telephone service. Custom Calling services consist of the following features: (Cont'd)
2. **Three-Way Calling** - This permits an existing call to be held, and, by dialing, a second telephone call can be established and added to the connection. This service contemplates that normal transmission performance quality cannot be guaranteed on all calls.
  3. **Call Waiting** - By means of a tone signal a customer who is using his telephone is alerted when another caller is trying to reach that station. Permits putting first call on hold so that second call can be answered.  
In Central Offices where the capability exists and has been implemented, subscribers to Call Waiting may dial activate a Control Call Waiting feature. Before a call is initiated, the subscriber may activate the Control Call Waiting feature and Call Waiting is then made inoperative on the first call initiated by the subscriber immediately following activation of the cancel feature. The feature may also be activated after a call is established, if the customer subscribes to a service that allows flash-hook privileges such as Three-Way Calling. Call Waiting is restored automatically on termination of such a call. During the time the Control Call Waiting feature is activated, incoming callers receive a busy tone.
  4. **Speed Calling** - This provides for the calling of a 7- or 10-digit telephone number by dialing an abbreviated code. The two arrangements available are an eight-number capacity (8-code) and a thirty-number capacity (30-code).
  5. **Call Forwarding Busy Line** - This feature provides for calls terminating to a subscriber's busy directory number to be forwarded to another telephone number on a premises other than the provisioned premises. The customer selected forward-to telephone number is preprogrammed at the time service is established and can only be changed via service order.
  6. **Call Forwarding Don't Answer** - This feature provides for calls terminating to a subscriber's idle directory number to be forwarded, after a customer preselected interval, to another telephone number. The customer selected forward-to telephone number and specified interval are preprogrammed at the time service is established and can only be changed via service order. No service order charge is applicable if the customer requests a ring count change within 30 days from the establishment of this feature on the subscriber's line.
  7. **Call Forwarding Don't Answer - Ring Control (CFDA-RC)** - This feature provides for calls incoming to a subscriber's idle directory number to be forwarded to another telephone number after a customer-controlled interval expressed in either ring cycles or seconds, depending on specific technology involved. The forwarded-to telephone number is specified at the time service is established and can only be changed via service order. Such change is subject to normal service order charges. CFDA-RC is available only where facilities permit, and provides the customer with the capability to change the interval after which forwarding occurs. Such change is made at the convenience of the customer, and is not subject to service order charges. After establishment of service, the interval cannot be changed via service order.

(C)

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ISSUED: July 1, 1996  
BY: Joseph P. Lacher, President - FL  
Miami, Florida

EFFECTIVE: July 15, 1996

## A13. MISCELLANEOUS SERVICE ARRANGEMENTS<sup>1</sup>

### A13.9 Custom Calling Services (Cont'd)

#### A13.9.1 Description (Cont'd)

A. Custom Calling services are auxiliary features provided in addition to basic telephone service. Custom Calling services consist of the following features: (Cont'd)

8. Customer Control of Call Forwarding Busy Line - This feature provides a customer the Call Forwarding Busy Line feature and the capability to control from his base station line the activation and deactivation of the service by using dialing codes. The destination telephone number is specified by the customer at the time this feature is ordered and can only be changed via service order.
9. Customer Control of Call Forwarding Don't Answer - This feature provides a customer the Call Forwarding Don't Answer feature and the capability to control from his base station line the activation and deactivation of the service by using dialing codes. The destination telephone number and forwarding interval are specified by the customer at the time this feature is ordered and can only be changed via service order.
10. Call Forwarding Multipath - This feature provides customers who subscribe to Call Forwarding Busy Line, Call Forwarding Don't Answer, Customer Control of Call Forwarding Busy Line, Customer Control of Call Forwarding Don't Answer, Call Forwarding Variable, or Remote Access to Call Forwarding Variable the capability to specify the number of calling paths that will be forwarded to another telephone number.

Where facilities permit for a single (non-rotary) exchange line/trunk or a rotary (hunting) arrangement of 10 or less lines/trunks, 10 calling paths will be provided at no charge. For a hunting arrangement greater than 10 lines/trunks, additional paths (in excess of the 10 provided at no charge) can be purchased. The total number of calling paths cannot exceed the number of lines/trunks in the forwarding hunting arrangement. In all cases, the number of call forwarding paths is dependent upon the terminating capability of the forward-to directory number. For the Call Forwarding Don't Answer feature each call will be forwarded at the completion of each ring cycle. A service order charge will apply to requests to increase or decrease the number of calling paths. The service order charge will not apply for the first sixty (60) days following the effective date of this Tariff.

11. Remote Access - Call Forwarding Variable - This feature provides a customer the Call Forwarding Variable feature and the capability to activate and deactivate the service remotely from any line/equipment capable of Touch-Tone signaling rather than only from the base station line. This feature does not require that a courtesy call be completed to the forward-to-telephone number.
12. Call Waiting Deluxe (CWD) - This service allows a customer to control the treatment applied to incoming calls while the customer is off-hook on a call. Call Waiting Deluxe includes the functionality of the Call Waiting feature and provides several additional call disposition options.

The customer must have a Calling Identification Delivery feature, such as Caller ID-Basic or Caller ID-Deluxe for the calling identification data of the waiting call to be provided following the Call Waiting Deluxe alerting tone.

The customer must subscribe to a Call Forwarding Don't Answer feature in order to forward a waiting call to another location.

Call disposition options provided with Call Waiting Deluxe include:

- Answer the waiting call, placing the first party on hold
- Answer the waiting call, dropping the first party

Note 1: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

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FLORIDA  
ISSUED: July 1, 1996  
BY: Joseph P. Lacher, President - FL  
Miami, Florida

EFFECTIVE: July 15, 1996

## A13. MISCELLANEOUS SERVICE ARRANGEMENTS<sup>1</sup>

(N)

### A13.9 Custom Calling Services (Cont'd)

#### A13.9.1 Description (Cont'd)

- A. Custom Calling services are auxiliary features provided in addition to basic telephone service. Custom Calling services consist of the following features: (Cont'd)

12. (Cont'd)

- Direct the waiting caller to hold via a recording
- Forward the waiting call to another location (e.g., a voice mailbox or Telephone Answering Service)
- Conference the waiting call with the existing, stable call and, if desired, subsequently drop either leg of the "conferenced" call.

Utilization of the full capabilities of Call Waiting Deluxe requires the use of an Analog Display Services Interface (ADSI) - compatible telephone at the customer's premises. The installation and maintenance of the ADSI-compatible CPE and its technical capability to function in conjunction with the features specified herein is the responsibility of the customer. The Company assumes no liability, and will be held harmless, for any incompatibility between this equipment and the network features described herein.

All terms and conditions, including rates, for the other features associated with the line are as described in the feature-specific sections of this Tariff. Such features must be ordered separate from Call Waiting Deluxe.

#### A13.9.2 Provision of Service

- A. Custom Calling Services are furnished only from central offices which have been arranged to provide these services. The services are provided subject to the availability of facilities.
- B. Except where provided otherwise in this Tariff, Custom Calling Services are furnished only in connection with individual line residence and business main service. The features are not available in connection with Prestige<sup>®</sup> Communications Service, Centrex-type Service or Coin Telephone service. Except where specifically provided otherwise in this Tariff, Call Waiting-Deluxe is furnished only to single line residence customers.
- C. Custom Calling Services as itemized in A13.9.3.B. following are offered for use with PBX Trunk Service or Outward WATS Service subject to the following limitations:
1. May be provided when compatible with the equipment configuration at the customer's premises.
  2. Available only in certain types of central offices.
  3. Not available with Direct Inward Dial type trunks.
  4. Available only with two types of hunting arrangements, multiline and series completion, and subject to the limitations of these hunting arrangements.
- D. Subscribers to Call Waiting Deluxe must have Touch-Tone service.
- E. Service charges for establishment of Call Waiting Deluxe on a customer's line do not apply.

Note 1: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

ISSUED: July 1, 1996  
BY: Joseph P. Lacher, President - FL  
Miami, Florida

EFFECTIVE: July 15, 1996

**A13. MISCELLANEOUS SERVICE ARRANGEMENTS<sup>1</sup>**

**A13.9 Custom Calling Services (Cont'd)**

**A13.9.3 Rates**

This Tariff sets forth the minimum, maximum and current rates for Custom Calling Services. Following a thirty day notice to the Commission and existing subscribers, the Company may increase or decrease rates within the minimum and maximum ranges specified in this Tariff unless denied or suspended by this Commission.

Refer to A13.33 of this Tariff for discounts applicable to the subscription rate of selected multiple features.

**A. Residence<sup>2</sup>**

**1. Non-Package**

		MONTHLY RATE			
		Minimum	Maximum	Current	USOC
(a)	Call Forwarding Variable <sup>3</sup>	\$1.50	\$4.00	\$2.45	ESM
(b)	Three-Way Calling <sup>3</sup>	2.50	4.00	3.30	ESC
(c)	Call Waiting <sup>3</sup>	2.50	4.00	3.50	ESX
(d)	Speed Calling (8-Code) <sup>3,4</sup>	1.50	-	2.00	ESL
(e)	Speed Calling (30-Code) <sup>3,4</sup>	3.00	-	3.00	ESF
(f)	Call Forwarding Busy Line <sup>3</sup>	.75	2.50	1.00	GCE
(g)	Call Forwarding Don't Answer <sup>3</sup>	.75	2.50	1.00	GCJ
(h)	Customer Control of Call Forwarding Busy Line <sup>3</sup>	2.00	5.00	3.00	GJP
(i)	Customer Control of Call Forwarding Don't Answer <sup>3</sup>	2.00	5.00	3.00	GJC
(j)	Call Forwarding Busy Line Multipath or Customer Control of Call Forwarding Busy Line Multipath <sup>5</sup>	1.50	4.00	2.00	CFSBX
(k)	Call Forwarding Don't Answer Multipath or Customer Control of Call Forwarding Don't Answer Multipath <sup>5</sup>	1.50	4.00	2.00	CFSDX
(l)	Call Forwarding Variable Multipath or Remote Access - Call Forwarding Variable Multipath <sup>5</sup>	2.00	5.00	3.00	CFSVX
(m)	Remote Access - Call Forwarding Variable <sup>3</sup>	3.00	6.00	5.20	GCZ

**Note 1:** Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

**Note 2:** A secondary service order charge is applicable to all listed services except for Call Waiting Deluxe when provided on a separate order. (No service charges apply to Call Waiting Deluxe.) No other service charges are applicable.

**Note 3:** Monthly rate per central office line equipped.

**Note 4:** Maximum rate not required for Effectively Competitive services.

**Note 5:** Monthly rate per call forwarding path.

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ISSUED: July 1, 1996  
BY: Joseph P. Lacher, President - FL  
Miami, Florida

EFFECTIVE: July 15, 1996

**A13. MISCELLANEOUS SERVICE ARRANGEMENTS<sup>1</sup>**

**A13.9 Custom Calling Services (Cont'd)**

**A13.9.3 Rates (Cont'd)**

**A. Residence<sup>2</sup> (Cont'd)**

**1. Non-Package (Cont'd)**

		MONTHLY RATE			
		Minimum	Maximum	Current	USOC
(n)	Call Waiting Deluxe <sup>3</sup>	\$4.00	\$8.00	\$6.00	ESXD+
(o)	Call Forwarding Don't Answer - Ring Control <sup>3</sup>	.75	2.50	1.00	GCJRC
<b>B. Business/Business PBX<sup>4</sup></b>					
<b>1. Non-Packages</b>					
(a)	Call Forwarding Variable <sup>3</sup>	2.50	6.00	3.60	ESM
(b)	Call Forwarding Variable <sup>5</sup>	6.00	12.00	6.60	E40
(c)	Three-Way Calling <sup>6</sup>	3.50	6.00	3.75	ESC
(d)	Call Waiting <sup>6</sup>	4.50	6.00	5.80	ESX
(e)	Speed Calling (8-Code) <sup>3,7</sup>	2.50	-	2.50	ESL
(f)	Speed Calling (8-Code) <sup>7,8</sup>	2.50	-	3.00	ESLWT
(g)	Speed Calling (8-Code) <sup>5,7</sup>	2.50	-	3.00	ESLTK
(h)	Speed Calling (30-Code) <sup>3,7</sup>	5.00	-	5.00	ESF
(i)	Speed Calling (30-Code) <sup>7,8</sup>	5.00	-	5.00	ESFWT
(j)	Speed Calling (30-Code) <sup>5,7</sup>	5.00	-	5.00	ESFTK
(k)	Call Forwarding Busy Line <sup>6</sup>	1.50	3.50	3.25	GCE
(l)	Call Forwarding Don't Answer <sup>9</sup>	1.50	3.50	3.25	GCJ
(m)	Customer Control of Call Forwarding Busy Line <sup>9</sup>	5.00	8.00	6.25	GJP

Note 1: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

Note 2: A secondary service order charge is applicable to all listed services except for Call Waiting Deluxe when provided on a separate order. (No service charges apply to Call Waiting Deluxe.) No other service charges are applicable.

Note 3: Monthly rate per central office line equipped.

Note 4: A secondary service order charge is applicable to this service when provided on a separate order. No other service charges are applicable.

Note 5: Monthly rate per trunk equipped.

Note 6: Monthly rate per line/trunk equipped.

Note 7: Maximum rate not required for Effectively Competitive services.

Note 8: Monthly rate per outward WATS line equipped.

Note 9: Monthly rate per central office line/trunk equipped.

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**A13. MISCELLANEOUS SERVICE ARRANGEMENTS** (T)

**A13.9 Custom Calling Services (Cont'd)**

**A13.9.3 Rates (Cont'd)**

**B. Business/Business PBX<sup>1</sup> (Cont'd)** (T)

**1. Non-Packages (Cont'd)**

	MONTHLY RATE			USOC	
	Minimum	Maximum	Current		
(n) Customer Control of Call Forwarding Don't Answer <sup>2</sup>	\$5.00	\$8.00	\$6.25	GJC	
(o) Call Forwarding Busy Line Multipath or Customer Control of Call Forwarding Busy Line Multipath <sup>3</sup>	2.00	6.00	3.00	CFSBX	
(p) Call Forwarding Don't Answer Multipath or Customer Control of Call Forwarding Don't Answer Multipath <sup>3</sup>	2.00	6.00	3.00	CFSDX	
(q) Call Forwarding Variable Multipath or Remote Access - Call Forwarding Variable Multipath <sup>3</sup>	2.00	6.00	3.00	CFSVX	
(r) Remote Access - Call Forwarding Variable <sup>2</sup>	4.00	8.00	7.25	GCZ	(T)
(s) Call Forwarding Don't Answer - Ring Control <sup>2</sup>	1.50	3.50	3.25	GCJRC	(N)

C. Custom Calling Services can be suspended as specified in A2.3.16 of this Tariff. During the period of suspension, no recurring charge applies.

**A13.9.4 Usage Sensitive Three-Way Calling Service**

**A. General**

1. Per Use Three-Way Calling Service is available to all residence and business customers where facilities permit. This service permits use of the three-way calling feature on an as-needed basis, with the subscriber paying the rate shown in A13.9.1.B., for each occasion it is successfully used. Three-way calling permits the subscriber activating the feature to hold an in-progress call and originate a second call while maintaining privacy from the first call, or to add another party for a three-way conference arrangement.
2. Switch-specific technology determines how a subscriber "activates" the feature. In certain switch technology, the feature is activated by "flashing" the serving switch from the subscriber's terminating equipment. ("Flashing" is accomplished via a receiver button, switchhook, hook flash key, flash key, etc.) This technology provides the subscriber with spontaneous control of the feature. Other switch technology requires that the feature be dial-activated by the subscriber prior to establishing the first leg of a three-way call, using a Company-provided code.

Note 1: A secondary service order charge is applicable to this service when provided on a separate order. No other service charges are applicable.

Note 2: Monthly rate per central office line/trunk equipped.

Note 3: Monthly rate per call forwarding path.

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ISSUED: August 30, 1996  
BY: Joseph P. Lacher, President -FL  
Miami, Florida

EFFECTIVE: September 16, 1996

### A13. MISCELLANEOUS SERVICE ARRANGEMENTS

#### A13.9 Custom Calling Services (Cont'd)

##### A13.9.4 Usage Sensitive Three-Way Calling Service (Cont'd)

###### A. General (Cont'd)

3. The per use charge is applied only when a second call is completed and bridged to the first call. Completed calls include, but are not limited to, those calls terminated to telephones, voice messaging systems, answering machines, facsimile machines, modems, etc.

###### B. Rates

###### 1. Per Use Three-Way Calling

	Residence	Business	USOC
(a) Per use (requires completion and bridging of second call)	\$ .75	\$ .75	NA

##### A13.9.5 Flexible Call Forwarding

###### A. Applications

Flexible Call Forwarding is an optional network feature available to residence and business subscribers, subject to limitations as defined in C. following. Flexible Call Forwarding - Plus is an optional network feature available to residential subscribers only. (C)

###### B. Description

Flexible Call Forwarding (FCF) and Flexible Call Forwarding - Plus (FCF-Plus) provide customer control for call forwarding capabilities via dial-accessed voice prompt menus. (The Company will provide an Administrative telephone number for such access.) Access to these menus is available from the telephone service on which the FCF feature is provided (the base station), and also from telephone services separate from that base station service. Access from these "separate" services requires a customer-determined password (or PIN). The menus provide access to the following capabilities:

###### 1. Flexible Call Forwarding

###### Forwarding

Allows the customer to specify a telephone number to which calls incoming to the base station service will be transferred. Most such use is a "Forward There" application. When the menu is accessed from a separate service, a "Forward Here" feature can be utilized under certain conditions.

###### Speed Forwarding

Allows the customer to set up codes (#1-8) for abbreviated dialing of the telephone numbers most often used as the forwarded-to telephone numbers. A "#9" speed forwarding code is preset to immediately forward all calls to the customer's Call Rescue location without ringing at the base station.

###### Call Rescue

Allows the customer to specify subsequent routing of an incoming call when the call encounters a "busy" or "no answer" condition at the initial forwarded-to location. The Call Rescue number can be to a secretary, a telephone answering service, as well as a cellular phone, a pager, an answering machine, or a voice mailbox. If a Call Rescue location is not specified, the disposition of the call will be based on the status of the initial forwarded-to number.

###### Priority Screening

Allows the customer to receive forwarded calls from selected callers, while routing all other calls to Call Rescue. The customer activates this feature, selects and sets up a three-digit code. When activated, callers will be greeted by a message, at which point the caller must input the customer-selected three digit code. The call will then ring the forwarded-to telephone number. The customer is responsible for providing the selected callers with the appropriate code.

Priority Screening functions only when the subscriber has specified a Call Rescue number.

Priority Screening is available to residential customers only. (N)

###### Ring Control

Allows the subscriber to vary the number of rings (1-6) that will be heard at the forwarded-to location before the incoming call is routed to the Call Rescue location. The number of rings that the calling party hears may be higher if ACN is turned on.

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## A13. MISCELLANEOUS SERVICE ARRANGEMENTS

### A13.9 Custom Calling Services (Cont'd)

#### A13.9.5 Flexible Call Forwarding (Cont'd)

##### B. Description (Cont'd)

##### 1. Flexible Call Forwarding (Cont'd)

###### Audio Calling Name (ACN)

ACN is an optional feature available with FCF and FCF-Plus which provides an audio message of the calling party's name. If the call is delivered by a carrier other than the Company, the customer may hear the calling party's name, city and state or telephone number, depending on available call data. The calling party will hear ringing until the customer chooses to answer the call or forward it to Call Rescue. There is an additional charge for this feature.

Compatibility of Audio Calling Name with answering machines is not guaranteed.

###### Administrative Capabilities

From the voice prompt menu the customer may also change the recorded announcement, the password used for access, the ring cycles and the Speed Forwarding List, and identify cellular or pager telephone numbers where appropriate.

###### Timed Forwarding

Allows the subscriber to forward calls until a specified time within the next twenty-four hours, after which time calls will no longer be forwarded until the customer activates subsequent forwarding instructions via the FCF menu.

##### 2. Flexible Call Forwarding - Plus

FCF-Plus includes an additional (or "dial around") telephone number and listing, distinctive ringing and all the capabilities of the basic FCF service on the primary number. The optional feature Audio Calling Name (ACN) is also available on the primary number.

FCF-Plus allows certain calls to be received at the base station even while forwarding is activated on the primary number.

FCF-Plus is available to residential customers only.

(N)

##### C. Regulations and Limitations of Service

1. In addition to the Regulations and Limitations of service described in this section, the Regulations and Limitations of service as set forth for other Custom Calling Services features in this Tariff will also apply.

2. Flexible Call Forwarding is provided subject to availability of *technology and* facilities.

(C)

3. For billing purposes, the call incoming to the FCF subscriber's location is treated as one call and is billed pursuant to tariffs applicable for such calls. The "forwarding" call initiated by FCF is treated as a separate call, and is subject to appropriate charges as if the call were initiated directly from the FCF subscriber's line to the forwarded-to location. For billing purposes, where ACN is activated a forwarded call is considered complete if the forwarded-to location returns answer supervision, even in those instances in which the forwarded call is not "answered" or is sent to Call Rescue. Such calls to Call Rescue are also subject to appropriate charges.

4. Listings for FCF-Plus are subject to regulations specified in Section A6. of this Tariff. Other listings will also be provided under the terms and conditions described in Section A6. of this Tariff.

5. Service Charges as provided in Section A4 of this Tariff *apply except during periods of special promotions.*

(C)

6. Refer to A13.33 of this Tariff for discounts applicable to the subscription rate of selected multiple features.

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**A13. MISCELLANEOUS SERVICE ARRANGEMENTS**

**A13.9 Custom Calling Services (Cont'd)**

**A13.9.5 Flexible Call Forwarding (Cont'd)**

**C. Regulations and Limitations of Service (Cont'd)**

- 7. FCF and FCF-Plus will not be provided on lines equipped with Call Forward Variable (CFV), Remote Access-Call Forward Variable (RACF), Preferred Call Forwarding (PCF), or Prestige<sup>1</sup> Communications Service (PCS), or *Back-Up line*. (C)
- 8. FCF-Plus cannot be provided on single line residential service equipped with RingMaster<sup>1</sup> service.
- 9. For calls forwarded via FCF or FCF-Plus, the calling party telephone number will be an FCF Administrative telephone number.
- 10. Except where facilities permit, FCF or FCF-Plus cannot be used to forward calls to locations requiring an "international" dialing format.
- 11. Where FCF or FCF-Plus is provided on a service also subscribed to a Customized Code Restriction (CCR) service which prohibits 1+ calling, the FCF feature may still be programmed to forward to a "1+" location. FCF will take precedence over CCR in such circumstance, and the subscriber will be subject to the appropriate toll charges for such calls, subscription to CCR notwithstanding.
- 12. Flexible Call Forwarding is not available on lines served by ESSX<sup>1</sup> service, Digital ESSX<sup>1</sup> service, MultiServ<sup>1</sup> service, MultiServ PLUS<sup>1</sup> service or Direct-In-Dial (DID) service except as provided in A13.9.6. (N)

**D. Rates and Charges - Individual Features**

1. Residence

	Monthly	
	Rate	USOC
(a) Flexible Call Forwarding	\$5.00	FCS
(b) Flexible Call Forwarding with Audio Calling Name	7.00	FCSCN
(c) Flexible Call Forwarding - Plus	7.00	FCP
(d) Flexible Call Forwarding - Plus with Audio Calling Name	9.00	FCPCN

2. Business (N)

(a) Flexible Call Forwarding	9.00	FCS	(N)
(b) Flexible Call Forwarding with Audio Calling Name	11.00	FCSCN	(N)

**A13.9.6 Flexible Call Forwarding With Direct-In-Dial (DID) Service, ESSX<sup>1</sup> Service and Digital ESSX<sup>1</sup> Service (Limited Service Offering)** (N)

**A. Description of Service** (N)

- 1. A limited service offering will be extended to customers who subscribe to FCF service placed on telephone numbers arranged with Direct-In-Dial (DID) service, ESSX<sup>1</sup> service and Digital ESSX<sup>1</sup> service. This offering will begin September 16, 1996, and remain in effect until September 16, 1997, unless modified, extended or removed by the Company. Subscription will be limited to no more than 1500 lines and to customers served from select central office switches in the Southeast Florida LATA.

**B. Regulations and Limitations of Service** (N)

- 1. During this limited offering, regulations and limitations of FCF service are applicable as set forth in A13.9.5 with the following exceptions: (N)
  - a. Flexible Call Forwarding - Plus is not available with this offering. (N)
  - b. Service Charges as provided in A4. of this tariff do not apply to the ordering, installing or changing of FCF service during this offering. (N) (M)

Material previously appearing on this page now appears on page(s) 19.3 of this section.

<sup>1</sup> Registered Service Mark of BellSouth Corporation  
• Service Mark of BellSouth Corporation

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ISSUED: August 30, 1996  
BY: Joseph P. Lacher, President -FL  
Miami, Florida

EFFECTIVE: September 16, 1996

### A13. MISCELLANEOUS SERVICE ARRANGEMENTS

#### A13.9 Custom Calling Services (Cont'd)

(N)

##### A13.9.6 Flexible Call Forwarding (Cont'd)

(N)

###### C. Rates and Charges

(N)

###### 1. Application of Rates

(N)

- a. A Nonrecurring Charge and Monthly Rate will apply to each telephone number arranged with FCF service during this trial.

(N)

###### 2. Rates

(N)

	Nonrecurring Charge	Monthly Rate	USOC	
(a) FCF arranged for DID Service	\$30.00	\$15.00	FCXDN	(N)
(b) FCF arranged for ESSX <sup>‡</sup> service or Digital ESSX <sup>‡</sup> service	30.00	15.00	FCXEM	(N)
(c) FCF with Audio Calling Name arranged for DID Service	32.00	16.50	FCWDN	(N)
(d) FCF with Audio Calling Name arranged for ESSX <sup>‡</sup> service or Digital ESSX <sup>‡</sup> service	32.00	16.50	FCWEM	(N)

#### A13.10 Network Facilities for use with Public Announcement Services (Obsoleted, See Section A113.)

(M)

#### A13.11 Remote Call Forwarding

(M)

##### A13.11.1 Description of the Service

(M)

- A. Remote Call Forwarding (RCF) is a service whereby a call placed from a station (the originating station) to a customer's (the RCF customer) telephone number (the call forwarding location) is automatically forwarded by Company central office equipment to another station designated by the RCF customer (the terminating station).
- B. A special RCF offering associated with Numbering Plan Area (NPA) conversions is available to business customers pursuant to terms and conditions as specified in Section A13.11.8. following.

(M)

(M)

##### A13.11.2 Limitations

(M)

- A. Remote Call Forwarding service is offered subject to availability of suitable facilities.
- B. RCF service is not offered where the terminating number is a public telephone.
- C. The Company does not guarantee identification of the originating telephone number to the Remote Call Forwarding customer.
- D. Transmission characteristics may vary depending on the distance and routing necessary to complete the remotely forwarded call.
- E. Remote Call Forwarding is not represented as suitable for satisfactory transmission of data.
- F. Remote Call Forwarding to another Company-provided RCF number is not permitted.

(M)

(M)

(M)

(M)

(M)

(M)

Material appearing on this page previously appeared on page(s) 19.2 of this section.

<sup>‡</sup> Registered Service Mark of BellSouth Corporation  
◆ Service Mark of BellSouth Corporation

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**A3. BASIC LOCAL EXCHANGE SERVICE**

**A3.3 Local Calling Areas**

**A3.3.1 Local Calling Areas for Basic Flat Rate Service, Area Plus<sup>®</sup> Service, Complete Choice<sup>®</sup> Service and Message Rate Service**

The rates specified for Flat Rate Service, Complete Choice<sup>®</sup> service and/or Message Rate Service, entitle subscribers to access all exchange access lines bearing the central office designations of the subscriber's exchange and all exchange access lines bearing the central office designations of additional exchanges in the Extended Area Service (EAS) and Extended Calling Service (ECS) categories as shown following. For the services specified in A3.4.2, A3.4.3, and A3.5.2, the local calling area of the exchange in the left hand column also includes the additional exchanges listed in the EAS and ECS categories. These exchanges may be accessed on a flat rate or usage rate basis.

The rates specified for Area Plus<sup>®</sup> service (including Area Plus<sup>®</sup> service with the Complete Choice<sup>®</sup> option) entitle subscribers to access all exchange access lines bearing the central office designations of the subscriber's exchange and all exchange access lines bearing the central office designations of additional exchanges in the Extended Area Service (EAS), Extended Calling Service (ECS) and Area Plus<sup>®</sup> service (APS) categories as shown following. For the services specified in A3.4.4, the local calling area of the exchange in the left hand column includes the additional exchanges listed in the EAS, ECS and APS categories. These exchanges may be accessed on a flat rate basis.

Exchange	Category	Additional Exchanges
Archer	EAS	Bronson, Gainesville, Micanopy, Newberry
	ECS	Cedar Key, Chiefland, Williston <sup>1</sup> (ICE)
	APS	Brooker (ICE), Citra (ICE), Cross City, Dunnellon, Hawthorne, Keystone Heights, McIntosh (ICE), Melrose (ICE), Ocala (ICE), Old Town, Orange Springs (ICE), Trenton, Waldo (ICE), Yankeetown
Baldwin	EAS	Jacksonville, Maxville
	ECS	MacClenny <sup>1</sup> (ICE), Sanderson <sup>1</sup> (ICE)
	APS	Callahan (ICE), Florahome (ICE), Green Cove Springs, Hilliard (ICE), Jacksonville Beach, Julington, Kingsley Lake (ICE), Lake Butler (ICE), Lawley (ICE), Middleburg, Orange Park, Ponte Vedra Beach, Raiford (ICE), St. Johns, Starke (ICE), Yulee
Belle Glade <sup>2</sup>	EAS	Pahokee
	ECS	Boca Raton, Boynton Beach, Delray Beach, Jupiter, West Palm Beach
	APS	Coral Springs, Indiantown (ICE)
Big Pine Key	EAS	Key West, Marathon, Sugarloaf Key
	ECS	Homestead, Islamorada, Key Largo, Miami, North Key Largo, Perrine
Boca Raton <sup>2</sup>	EAS	Coral Springs, Deerfield Beach, Delray Beach, Pompano Beach
	ECS	Belle Glade, Boynton Beach, Fort Lauderdale, Hollywood, Jupiter, Miami, North Dade, Pahokee, West Palm Beach

**Note 1:** LCP regulations and rates apply to this terminating exchange.

**Note 2:** See A3.7.2 for Premium EOEAS regulations and rates.

<sup>1</sup>Registered Service Mark of BellSouth Corporation  
<sup>2</sup>Service Mark of BellSouth Corporation

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ISSUED: September 16, 1996  
BY: Joseph P. Lacher, President -FL  
Miami, Florida

EFFECTIVE: October 1, 1996

### A3. BASIC LOCAL EXCHANGE SERVICE

(7)

#### A3.3 Local Calling Areas (Cont'd)

##### A3.3.1 Local Calling Areas for Basic Flat Rate Service, Area Plus® Service, Complete Choice® Service and Message Rate Service (Cont'd)

Exchange	Category	Additional Exchanges
Boynton Beach	EAS	Delray Beach, West Palm Beach
	ECS	Belle Glade, Boca Raton, Coral Springs, Deerfield Beach, Fort Lauderdale, Hollywood, Jupiter, Pahokee, Pompano Beach
	APS	Hobe Sound
Bronson	EAS	Archer, Chiefland, Gainesville, Williston (ICE)
	ECS	Cedar Key, Newberry
	APS	Beverly Hills (ICE), Brooker (ICE), Citra (ICE), Cross City, Crystal River (ICE), Dunnellon, Hawthorne, McIntosh (ICE), Micanopy, Ocala (ICE), Old Town, Trenton, Waldo (ICE), Yankeetown
Brooksville	EAS	Weekiwachee Springs
	ECS	Dade City <sup>1</sup> (ICE), San Antonio <sup>1</sup> (ICE), Trillacoochee <sup>1</sup> (ICE)
	APS	Bellevue (ICE), Beverly Hills (ICE), Bushnell (ICE), Clermont (ICE), Crystal River (ICE), Dunnellon, Groveland (ICE), Homasassa Springs (ICE), Howey-In The-Hills (ICE), Inverness (ICE), Lady Lake (ICE), Leesburg (ICE), Wildwood (ICE), Yankeetown
Bunnell <sup>2</sup>	EAS	Flagler Beach, Palm Coast
	ECS	Daytona Beach, Pierson
	APS	Deland, DeLeon Springs, New Smyrna Beach
Cantonment (Including Clear Springs and Gateswood, Alabama)	EAS	Century, Gulf Breeze, Molino, Pensacola, Walnut Hill
	APS	Holley-Navarre, Jay, Milton, Munson, Pace
Cedar Key	ECS	Archer, Bronson, Chiefland, Gainesville
	APS	Beverly Hills (ICE), Cross City, Crystal River (ICE), Dunnellon, Homasassa Springs (ICE), Old Town, Trenton, Williston (ICE), Yankeetown
	EAS	Brewton (Alabama), Cantonment (including Clear Springs, Alabama), Flomaton (Alabama), Molino (ICE), Pensacola, Walnut Hill (ICE)
Century	EAS	Brewton (Alabama), Cantonment (including Clear Springs, Alabama), Flomaton (Alabama), Molino (ICE), Pensacola, Walnut Hill (ICE)
Chiefland	EAS	Bronston, Trenton
	ECS	Archer, Cedar Key, Gainesville, Old Town
	APS	Cross City, Dunnellon, McIntosh (ICE), Micanopy, Newberry, Williston (ICE), Yankeetown

(7)

**Note 1:** LCP regulations and rates apply to this terminating exchange.

**Note 2:** See A3.7.2 for Premium EOEAS regulations and rates.

EFFECTIVE: July 15, 1996

**A3. BASIC LOCAL EXCHANGE SERVICE<sup>1</sup>**

(N)

**A3.3 Local Calling Areas (Cont'd)**

**A3.3.1 Local Calling Areas for Basic Flat Rate Service, Area Plus<sup>o</sup> Service, Complete Choice<sup>o</sup> Service and Message Rate Service (Cont'd)**

Exchange	Category	Additional Exchanges
Chipley	EAS	Graceville, Sunny Hills, Vernon
	ECS	Bonifay <sup>2</sup> (ICE), Cottondale <sup>2</sup> (ICE), Panama City, Youngstown-Fountain
	APS	Alford (ICE), Altha (ICE), Blountstown (ICE), Grand Ridge (ICE), Greenwood (ICE), Lynn Haven, Malone (ICE), Marianna (ICE), Reynolds Hill (ICE), Sneads (ICE), Westville (ICE)
Cocoa	EAS	Cocoa Beach, Eau Gallie, Melbourne, Titusville
	APS	East Orange, Geneva, Kenansville (ICE), Oviedo, St. Cloud (ICE)
Cocoa Beach	EAS	Cocoa, Eau Gallie, Melbourne, Titusville
	APS	East Orange, Kenansville (ICE)
Coral Springs	EAS	Boca Raton, Deerfield Beach, Fort Lauderdale, Pompano Beach
	ECS	Boynton Beach, Delray Beach, Hollywood, Homestead, Miami, North Dade, Perrine
	APS	Belle Glade, West Palm Beach
Cross City	EAS	Oldtown
	APS	Archer, Bronson, Cedar Key, Chiefland, Newberry, Trenton
Daytona Beach	ECS	Bunnell, Deland, DeLeon Springs, Flagler Beach, New Smyrna Beach, Oak Hill, Palm Coast, Pierson
DeBary	EAS	Deland, Orange City (ICE), Sanford
	ECS	Orlando, Winter Park (ICE)
	APS	Apopka (ICE), East Orange, Geneva, Kissimmee (ICE), Lake Buena Vista (ICE), Monteverde (ICE), Oviedo, Titusville, West Kissimmee (ICE), Wintermere (ICE), Winter Garden (ICE)
Deerfield Beach	EAS	Boca Raton, Coral Springs, Delray Beach, Fort Lauderdale, Pompano Beach
	ECS	Boynton Beach, Hollywood, Homestead, Miami, North Dade, Perrine
	APS	West Palm Beach
Deland	EAS	DeBary, DeLeon Springs, Orange City (ICE), Pierson
	ECS	Daytona Beach, New Smyrna Beach, Oak Hill
	APS	Bunnell, Flagler Beach, Palm Coast
DeLeon Springs	EAS	Deland, Orange City (ICE), Pierson
	ECS	Daytona Beach, New Smyrna Beach, Oak Hill
	APS	Bunnell, Flagler Beach, Palm Coast

**Note 1:** Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

**Note 2:** LCP regulations and rates apply to this terminating exchange.

<sup>o</sup>Registered Service Mark of BellSouth Corporation  
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**A3. BASIC LOCAL EXCHANGE SERVICE**

**A3.3 Local Calling Areas (Cont'd)**

**A3.3.1 Local Calling Areas for Basic Flat Rate Service, Area Plus® Service, Complete Choice® Service and Message Rate Service (Cont'd)**

Exchange	Category	Additional Exchanges
Delray Beach <sup>1</sup>	EAS	Boca Raton, Boynton Beach, Deerfield Beach
	ECS	Belle Glade, Coral Springs, Fort Lauderdale, Hollywood, Jupiter, Pahokee, Pompano Beach, West Palm Beach
	APS	North Dade
Dunnellon	EAS	Belleview (ICE), Forest (ICE), Ocala (ICE), Oklawaha (ICE), Salt Springs (ICE), Silver Springs Shores (ICE), Yankeetown (ICE)
	ECS	Beverly Hills <sup>2</sup> (ICE)
	APS	Archer, Bronson, Brooksville, Bushnell (ICE), Cedar Key, Chiefland, Citra (ICE), Crystal River (ICE), Homasassa Springs (ICE), Inverness (ICE), Lady Lake (ICE), Leesburg (ICE), McIntosh (ICE), Micanopy, Weekiwachee Springs, Wildwood (ICE), Williston (ICE)
East Orange	EAS	Apopka (ICE), Lake Buena Vista (ICE), Celebration (ICE), Monteerde (ICE), Orlando, Oviedo, Reedy Creek (ICE), Windermere (ICE), Winter Garden (ICE), Winter Park (ICE)
	APS	Cocoa, Cocoa Beach, DeBary, Eau Gallie, Geneva, Kissimmee (ICE), Melbourne, Orange City (ICE), Sanford, St. Cloud (ICE), Titusville, West Kissimmee (ICE)
Eau Gallie	EAS	Cocoa, Cocoa Beach, Melbourne
	ECS	Titusville
	APS	East Orange, Kenansville (ICE)
Fernandina Beach <sup>1</sup>	EAS	Yulee
	ECS	Jacksonville
	APS	Callahan (ICE), Hilliard (ICE), Jacksonville Beach, Julington, Orange Park, Ponte Vedra Beach
Flagler Beach <sup>1</sup>	EAS	Bunnell, Palm Coast
	ECS	Daytona Beach, Pierson,
	APS	Deland, DeLeon Springs, New Smyrna Beach

(C)

**Note 1:** See A3.7.2 for Premium EOEAS regulations and rates.

**Note 2:** LCP regulations and rates apply to this terminating exchange.

**A3. BASIC LOCAL EXCHANGE SERVICE**

**A3.3 Local Calling Areas (Cont'd)**

**A3.3.1 Local Calling Areas for Basic Flat Rate Service, Area Plus<sup>®</sup> Service, Complete Choice<sup>®</sup> Service and Message Rate Service (Cont'd)**

Exchange (DELETED)	Category	Additional Exchanges	(D)
Ft. Lauderdale	EAS	Coral Springs, Deerfield Beach, Hollywood, Pompano Beach	
	ECS	Boca Raton, Boynton Beach, Delray Beach, Homestead, Miami, North Dade, Perrine	
Ft. Pierce <sup>1</sup>	EAS	Port St. Lucie	
	ECS	Jensen Beach, Vero Beach	
Gainesville	APS	Hobe Sound, Indiantown (ICE), Jupiter, Sebastian, Stuart	
	EAS	Alachua (ICE), Archer, Bronson, Brooker (ICE), Hawthorne, High Springs (ICE), Lake Butler (ICE), Melrose (ICE), Micanopy, Newberry, Trenton, Waldo (ICE)	
	ECS	Cedar Key, Chiefland, Keystone Heights, McIntosh (ICE), Williston <sup>2</sup> (ICE)	
Geneva <sup>1</sup>	APS	Citra (ICE), Ocala (ICE), Orange Springs (ICE)	
	EAS	Ovieda, Sanford, Winter Park (ICE)	
	ECS	Orlando	
	APS	Apopka (ICE), Celebration (ICE), Cocoa, DeBary, East Orange, Kissimmee (ICE), Lake Buena Vista (ICE), Monteverde (ICE), Orange City (ICE), St. Cloud (ICE), Titusville, West Kissimmee (ICE), Windermere (ICE), Winter Garden (ICE)	
Graceville	EAS	Chipley	
	ECS	Alford <sup>2</sup> (ICE), Bonifay <sup>2</sup> (ICE), Cottondale <sup>2</sup> (ICE), Grand Ridge <sup>2</sup> (ICE), Greenwood <sup>2</sup> (ICE), Malone <sup>2</sup> (ICE), Marianna <sup>2</sup> (ICE), Reynolds Hill <sup>2</sup> (ICE), Sneads <sup>2</sup> (ICE), Westville <sup>2</sup> (ICE)	
	APS	Altha (ICE), Sunny Hills, Vernon	

Note 1: See A3.7.2 for Premium EOEAS regulations and rates.

Note 2: LCP regulations and rates apply to this terminating exchange.

<sup>®</sup>Registered Service Mark of BellSouth Corporation  
 Service Mark of BellSouth Corporation

### A3. BASIC LOCAL EXCHANGE SERVICE

#### A3.3 Local Calling Areas (Cont'd)

##### A3.3.1 Local Calling Areas for Basic Flat Rate Service, Area Plus® Service, Complete Choice® Service and Message Rate Service (Cont'd)

Exchange	Category	Additional Exchanges	(C)
Green Cove Springs	ECS	Palatka, St. Augustine, St. Johns	
	APS	Baldwin, Callahan (ICE), Crescent City (ICE), Florahome (ICE), Hastings (ICE), Interlachen (ICE), Jacksonville, Jacksonville Beach, Julington, Kingsley Lake (ICE), Lake Butler (ICE), Lawtey (ICE), MacClenney (ICE), Maxville, Middleburg, Orange Park, Pomona Park, Ponte Vedra Beach, Raiford (ICE), Sanderson (ICE), Starke (ICE), Welaka	
Gulf Breeze	EAS	Cantonment (including Clear Springs, Alabama), Holley-Navarre, Pace, Pensacola	
	ECS	Milton	
	APS	Destin (ICE), Fort Walton Beach (ICE), Molino (ICE), Munson, Shalimar (ICE)	
Havana	EAS	Chattahoochee (ICE), Greensboro (ICE), Gretna (ICE), Quincy (ICE), Tallahassee (ICE)	
	APS	Bristol (ICE), Grand Ridge (ICE), Hosford (ICE), Sneads (ICE)	
Hawthorne	EAS	Gainesville, Melrose (ICE), Micanopy	
	APS	Archer, Belleview (ICE), Bronson, Brooker (ICE), Citra (ICE), Forest (ICE), Keystone Heights, McIntosh (ICE), Newberry, Ocala (ICE), Oklawaha (ICE), Orange Springs (ICE), Salt Springs (ICE), Silver Springs Shores (ICE), Waldo (ICE), Williston (ICE)	
Hobe Sound <sup>1</sup>	EAS	Jensen Beach, Jupiter, Port St. Lucie, Stuart	
	ECS	West Palm Beach	
	APS	Boynton Beach, Fort Pierce, Indiantown (ICE), Pahokee	
Holley-Navarre <sup>1</sup>	EAS	Fort Walton Beach (ICE), Gulf Breeze, Pensacola	
	ECS	Milton, Pace	
	APS	Baker (ICE), Cantonment (including Clear Springs, Alabama), Crestview (ICE), Destin (ICE), Jay, Molino (ICE), Munson, Santa Rosa Beach (ICE), Shalimar (ICE), Valparaiso (ICE)	
Hollywood <sup>1</sup>	EAS	Fort Lauderdale, North Dade	
	ECS	Boca Raton, Boynton Beach, Coral Springs, Deerfield Beach, Delray Beach, Homestead, Miami, Perrine, Pompano Beach	
Homestead	EAS	Miami, Perrine	
	ECS	Big Pine Key, Coral Springs, Deerfield Beach, Fort Lauderdale, Hollywood, Islamorada, Key Largo, Key West, Marathon, North Dade, North Key Largo, Pompano Beach, Sugarloaf Key	

Note 1: See A3.7.2 for Premium EOEAS regulations and rates.

**A3. BASIC LOCAL EXCHANGE SERVICE**

**A3.3 Local Calling Areas (Cont'd)**

**A3.3.1 Local Calling Areas for Basic Flat Rate Service, Area Plus® Service, Complete Choice® Service and Message Rate Service (Cont'd)**

Exchange	Category	Additional Exchanges	
Islamorada	EAS	Key Largo, Marathon	
	ECS	Big Pine Key, Homestead, Key West, Miami, North Key Largo, Perrine, Sugarloaf Key	
Jacksonville	EAS	Baldwin, Callahan (ICE), Jacksonville Beach, Julington, Maxville, Middleburg, Orange Park, Ponte Vedra Beach, St. Johns, Yulee	(C)
	ECS	Fernandina Beach, Hilliard <sup>1</sup> (ICE), MacClenny <sup>1</sup> (ICE), Palatka, Sanderson <sup>1</sup> (ICE), St. Augustine	
	APS	Green Cove Springs, Kingsley Lake (ICE), Lawtey (ICE), Raiford (ICE), Starke (ICE)	
Jacksonville Beach	EAS	Jacksonville, Ponte Vedra Beach, St. Johns	(C)
	ECS	St. Augustine	
	APS	Baldwin, Callahan (ICE), Fernandina Beach, Green Cove Springs, Hastings (ICE), Julington, Maxville, Middleburg, Orange Park, Yulee	
Jay	EAS	Milton, Munson, Pace, Pensacola	
	APS	Baker (ICE), Cantonment (including Clear Springs, Alabama), Crestview (ICE), Holley-Navarre, Molino (ICE)	
Jensen Beach	EAS	Hobe Sound, Port St. Lucie, Stuart	
	ECS	Fort Pierce, Jupiter, West Palm Beach	
	APS	Indiantown (ICE), Vero Beach	
Julington	EAS	Jacksonville, Orange Park, St. Johns	(C)
	ECS	Green Cove Springs, Palatka, St. Augustine	
	APS	Baldwin, Callahan (ICE), Fernandina Beach, Florahome (ICE), Hastings (ICE), Interlachen (ICE), Jacksonville Beach, Kingsley Lake (ICE), Lawtey (ICE), MacClenny (ICE), Maxville, Middleburg, Ponte Vedra Beach, Raiford (ICE), Sanderson (ICE), Starke (ICE), Yulee	
Jupiter	EAS	Hobe Sound, West Palm Beach	
	ECS	Belle Glade, Boca Raton, Boynton Beach, Delray Beach, Jensen Beach, Pahokee, Port St. Lucie, Stuart	
Key Largo <sup>2</sup>	APS	Fort Pierce, Indiantown (ICE)	
	EAS	Islamorada, North Key Largo	
	ECS	Big Pine Key, Homestead, Key West, Marathon, Miami, Perrine, Sugarloaf Key	

Note 1: LCP regulations and rates apply to this terminating exchange.

Note 2: See A3.7.2 for Premium EOEAS regulations and rates.

<sup>1</sup>Registered Service Mark of BellSouth Corporation  
<sup>2</sup>Service Mark of BellSouth Corporation

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ISSUED: November 13, 1996  
BY: Joseph P. Lacher, President -FL  
Miami, Florida

EFFECTIVE: December 13, 1996

### A3. BASIC LOCAL EXCHANGE SERVICE

#### A3.3 Local Calling Areas (Cont'd)

##### A3.3.1 Local Calling Areas for Basic Flat Rate Service, Area Plus<sup>®</sup> Service, Complete Choice<sup>®</sup> Service and Message Rate Service (Cont'd)

Exchange	Category	Additional Exchanges
Keystone Heights <sup>1</sup>	EAS	Melrose (ICE), Starke (ICE), that portion of Florahome (ICE) located in Clay County
	ECS	Gainesville, Waldo <sup>2</sup> (ICE)
	APS	Archer, Brooker (ICE), Citra (ICE), Hawthorne, McIntosh (ICE), Micanopy, Newberry, Orange Springs (ICE), Salt Springs (ICE), Williston (ICE)
Key West	EAS	Big Pike Key, Sugarloaf Key
	ECS	Homestead, Islamorada, Key Largo, Marathon, Miami, North Key Largo, Perrine
Lake City	EAS	Branford (ICE), Fort White (ICE), Wellborn (ICE), White Springs (ICE)
	ECS	High Springs (ICE), Lake Butler <sup>2</sup> (ICE), Live Oak (ICE), MacClenny (ICE), Sanderson (ICE)
	APS	Alachua (ICE), Dowling Park (ICE), Florida Sheriffs Boys Ranch (ICE), Jasper (ICE), Jennings (ICE), Lawtey (ICE), Luraville (ICE), Maxville, Mayo (ICE), Raiford (ICE), Starke (ICE)
Lynn Haven	EAS	Panama City, Panama City Beach, Youngstown-Fountain
	ECS	Sunny Hills, The Beaches (ICE), Tyndall AFB (ICE), Vernon
	APS	Alford (ICE), Altha (ICE), Blountstown (ICE), Bonifay (ICE), Chipley, Port St. Joe (ICE), Westville (ICE), Wewahitchka (ICE)
Marathon	EAS	Big Pine Key, Islamorada
	ECS	Homestead, Key Largo, Key West, Miami, North Key Largo, Perrine, Sugarloaf Key
Maxville	EAS	Baldwin, Jacksonville, Middleburg, Orange Park
	ECS	MacClenny <sup>2</sup> (ICE), Sanderson <sup>2</sup> (ICE)
	APS	Callahan (ICE), Florahome (ICE), Green Cove Springs, Hilliard (ICE), Jacksonville Beach, Julington, Kingsley Lake (ICE), Lake Butler (ICE), Lake City, Lawtey (ICE), Ponte Vedra Beach, Raiford (ICE), St. Johns, Starke (ICE), Yulee
Melbourne	EAS	Cocoa, Cocoa Beach, Eau Gallie, Sebastian
	ECS	Titusville
	APS	East Orange, Kenansville (ICE)

(C)

Note 1: See A3.7.2 for Premium EOEAS regulations and rates.

Note 2: LCP regulations and rates apply to this terminating exchange.

FLORIDA

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BY: Joseph P. Lacher, President -FL  
Miami, Florida

### A3. BASIC LOCAL EXCHANGE SERVICE

#### A3.3 Local Calling Areas (Cont'd)

##### A3.3.1 Local Calling Areas for Basic Flat Rate Service, Area Plus® Service, Complete Choice® Service and Message Rate Service (Cont'd)

Exchange	Category	Additional Exchanges
Miami	EAS	Homestead, North Dade, Perrine
	ECS	Big Pine Key, Boca Raton, Coral Springs, Deerfield Beach, Fort Lauderdale, Hollywood, Islamorada, Key Largo, Key West, Marathon, North Key Largo, Pompano Beach, Sugarloaf Key
Micanopy	EAS	Archer, Gainesville, Hawthorne
	ECS	McIntosh (ICE)
	APS	Bellevue (ICE), Bronson, Brooker (ICE), Chiefland, Citra (ICE), Dunnellon, Forest (ICE), Keystone Heights, Melrose (ICE), Newberry, Ocala (ICE), Oklawaha (ICE), Orange Springs (ICE), Salt Spring (ICE), Silver Springs Shores (ICE), Trenton, Waldo (ICE), Williston (ICE)
Middleburg	EAS	Jacksonville, Maxville, Orange Park
	APS	Baldwin, Callahan (ICE), Florahome (ICE), Green Cove Springs, Hastings (ICE), Interlachen (ICE), Jacksonville Beach, Julington, Kingsley Lake (ICE), Lake Butler (ICE), Lawtey (ICE), MacClenny (ICE), Palatka, Ponte Vedra Beach, Raiford (ICE), Sanderson (ICE), St. Augustine, <i>St. Johns</i> , Starke (ICE)
Milton	EAS	Jay, Munson, Pace, Pensacola
	ECS	Gulf Breeze, Holley-Navarre
	APS	Baker (ICE), Cantonment (including Clear Springs, Alabama), Crestview (ICE), Destin (ICE), Fort Walton Beach (ICE), Molino (ICE), Shalimar (ICE), Valparaiso (ICE)
Munson	EAS	Jay, Milton, Pace, Pensacola
	APS	Baker (ICE), Cantonment (including Clear Springs, Alabama), Crestview (ICE), Destin (ICE), Fort Walton Beach (ICE), Gulf Breeze, Holley-Navarre, Laurel Hill (ICE), Molino (ICE), Paxton (ICE), Shalimar (ICE), Valparaiso (ICE)
Newberry	EAS	Alachua (ICE), Archer, Gainesville, High Springs (ICE), Trenton
	ECS	Bronson
	APS	Brooker (ICE), Chiefland, Citra (ICE), Cross City, Hawthorne, Keystone Heights, McIntosh (ICE), Melrose (ICE), Micanopy, Old Town, Waldo (ICE), Williston (ICE)
New Smyrna Beach	EAS	Oak Hill
	ECS	Daytona Beach, Deland, DeLeon Springs, Pierson
	APS	Bunnell, Flagler Beach

**A3. BASIC LOCAL EXCHANGE SERVICE**

**A3.3 Local Calling Areas (Cont'd)**

**A3.3.1 Local Calling Areas for Basic Flat Rate Service, Area Plus<sup>®</sup> Service, Complete Choice<sup>®</sup> Service and Message Rate Service (Cont'd)**

Exchange	Category	Additional Exchanges
North Dade <sup>1</sup>	EAS	Hollywood, Miami, Perrine
	ECS	Boca Raton, Coral Springs, Deerfield Beach, Fort Lauderdale, Homestead, Pompano Beach
	APS	Delray Beach
North Key Largo <sup>1</sup>	EAS	Key Largo
	ECS	Big Pine Key, Homestead, Islamorada, Key West, Marathon, Miami, Perrine, Sugarloaf Key
Oak Hill <sup>1</sup>	EAS	New Smyrna Beach
	ECS	Daytona Beach, Deland, DeLeon Springs, Pierson
Old Town	EAS	Cross City
	ECS	Chiefland
Orange Park	APS	Archer, Bronson, Cedar Key, Newberry, Trenton, Williston (ICE)
	EAS	Jacksonville, Julington, Maxville, Middleburg, <i>St. Johns</i>
	ECS	Palatka
Orlando	APS	Baldwin, Callahan (ICE), Fernandina Beach, Florahome (ICE), Green Cove Springs, Hastings (ICE), Hilliard (ICE), Interlachen (ICE), Jacksonville Beach, Kingsley Lake (ICE), Lake Butler (ICE), Lawtey (ICE), MacClenny (ICE), Ponte Vedra Beach, Raiford (ICE), Sanderson (ICE), St. Augustine, Starke (ICE), Yulee
	EAS	Apopka (ICE), Celebration (ICE), Clermont (ICE), East Orange, Lake Buena Vista (ICE), Monteverde (ICE), Oviedo, Reedy Creek (ICE), Windermere (ICE), Winter Garden (ICE), Winter Park (ICE)
	ECS	DeBary, Geneva, Kissimmee <sup>2</sup> (ICE), Sanford, St. Cloud <sup>2</sup> (ICE), West Kissimmee <sup>2</sup> (ICE)
Oviedo	APS	Orange City (ICE), Titusville
	EAS	East Orange, Geneva, Orlando, Sanford, Winter Park (ICE)
	APS	Apopka (ICE), Celebration (ICE), Cocoa, DeBary, Kissimmee (ICE), Lake Buena Vista (ICE), Monteverde (ICE), Orange City (ICE), Reedy Creek (ICE), St. Cloud (ICE), Titusville, West Kissimmee (ICE), Windermere (ICE), Winter Garden (ICE)

**Note 1:** See A3.7.2 for Premium EOEAS regulations and rates.

**Note 2:** LCP regulations and rates apply to this terminating exchange.

FLORIDA  
ISSUED: November 13, 1996  
BY: Joseph P. Lacher, President -FL  
Miami, Florida

EFFECTIVE: December 13, 1996

### A3. BASIC LOCAL EXCHANGE SERVICE

#### A3.3 Local Calling Areas (Cont'd)

##### A3.3.1 Local Calling Areas for Basic Flat Rate Service, Area Plus® Service, Complete Choice® Service and Message Rate Service (Cont'd)

Exchange	Category	Additional Exchanges
Pace	EAS	Gulf Breeze, Jay, Milton, Munson, Pensacola
	ECS	Holley-Navarre
	APS	Baker (ICE), Cantonment (including Clear Springs, Alabama), Crestview (ICE), Fort Walton Beach (ICE), Molino (ICE), Shalimar (ICE), Valparaiso (ICE)
Pahokee <sup>1</sup>	EAS	Belle Glade
	ECS	Boca Raton, Boynton Beach, Delray Beach, Jupiter, West Palm Beach
	APS	Hobe Sound, Indiantown (ICE), Port St. Lucie, Stuart
Palatka	EAS	Florahome (ICE), Hastings (ICE), Interlachen (ICE), Pomona Park, Welaka
	ECS	Crescent City <sup>2</sup> (ICE), Green Cove Springs, Jacksonville, Julington, Orange Park, St. Augustine, St. Johns
	APS	Kingsley Lake (ICE), Lawtey (ICE), Middleburg, Starke (ICE)
Palm Coast <sup>1</sup>	EAS	Bunnell, Flagler Beach
	ECS	Daytona Beach
	APS	Deland, DeLeon Springs, Pierson
Panama City	EAS	Lynn Haven, Panama City Beach, Tyndall AFB (ICE), Youngstown-Fountain
	ECS	Chipley, Port St. Joe (ICE), Sunny Hills, The Beaches (ICE), Vernon
	APS	Wewahitchka (ICE)
Panama City Beach	EAS	Lynn Haven, Panama City
	ECS	Sunny Hills, The Beaches (ICE), Tyndall AFB (ICE), Youngstown-Fountain
	APS	Port St. Joe (ICE), Vernon, Wewahitchka (ICE)
Pensacola	EAS	Cantonment (including Clear Springs, Alabama), Century (ICE), Gulf Breeze, Holley-Navarre, Jay, Milton, Molino (ICE), Munson, Pace, Walnut Hill (ICE)
	APS	Destin (ICE), Fort Walton Beach (ICE), Shalimar (ICE)
	EAS	Homestead, Miami, North Dade
Perrine	EAS	Big Pine Key, Coral Springs, Deerfield Beach, Fort Lauderdale, Hollywood, Islamorada, Key Largo, Key West, Marathon, North Key Largo, Pompano Beach, Sugarloaf Key
	ECS	

Note 1: See A3.7.2 for Premium EOEAS regulations and rates.

Note 2: LCP regulations and rates apply to this terminating exchange.



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Miami, Florida

EFFECTIVE: December 13, 1996

**A3. BASIC LOCAL EXCHANGE SERVICE**

**A3.3 Local Calling Areas (Cont'd)**

**A3.3.1 Local Calling Areas for Basic Flat Rate Service, Area Plus® Service, Complete Choice® Service and Message Rate Service (Cont'd)**

Exchange	Category	Additional Exchanges	
Pierson	EAS	Crescent City (ICE), Deland, DeLeon Springs	
	ECS	Bunnell, Daytona Beach, Flagler Beach, New Smyrna Beach, Oak Hill	
	APS	Palm Coast	
Pomona Park	EAS	Crescent City (ICE), Palatka, Welaka	
	APS	Florahome (ICE), Green Cove Springs, Hastings (ICE), Interlachen (ICE), St. Augustine, St. Johns	(C)
Pompano Beach	EAS	Boca Raton, Coral Springs, Deerfield Beach, Fort Lauderdale	
	ECS	Boynton Beach, Delray Beach, Hollywood, Homestead, Miami, North Dade, Perrine	
	APS	West Palm Beach	
Ponte Vedra Beach	EAS	Jacksonville, Jacksonville Beach, St. Johns	(C)
	ECS	St. Augustine	
	APS	Baldwin, Callahan (ICE), Fernandina Beach, Green Cove Springs, Hastings (ICE), Julington, Maxville, Middleburg, Orange Park, Yulee	
Port St. Lucie	EAS	Fort Pierce, Hobe Sound, Jensen Beach, Stuart	
	ECS	Jupiter, West Palm Beach	
	APS	Indiantown (ICE), Pahokee, Sebastian, Vero Beach	
St. Augustine <sup>1</sup>	EAS	Hastings (ICE), St. Johns	(C)
	ECS	Green Cove Springs, Jacksonville, Jacksonville Beach, Julington, Palatka, Ponte Vedra Beach	
	APS	Crescent City (ICE), Florahome (ICE), Interlachen (ICE), Middleburg, Orange Park, Pomona Park, Welaka	
St. Johns	EAS	Hastings (ICE), Jacksonville, Jacksonville Beach, Julington, Orange Park, Ponte Vedra Beach, St. Augustine	(N)
	ECS	Green Cove Springs, Palatka	(N)
	APS	Baldwin, Crescent City (ICE), Florahome (ICE), Interlachen (ICE), Kingsley Lake (ICE), Lawtey (ICE), Maxville, Middleburg, Pomona Park, Starke (ICE), Welaka	(N)
Sanford	EAS	DeBary, Geneva, Oviedo, Winter Park (ICE)	
	ECS	Orange City <sup>2</sup> (ICE), Orlando	
	APS	Apopka (ICE), Celebration (ICE), East Orange, Kissimmee (ICE), Lake Buena Vista (ICE), Monteverde (ICE), Reedy Creek (ICE), St. Cloud (ICE), Titusville, West Kissimmee (ICE), Windermere (ICE), Winter Garden (ICE)	
Sebastian	EAS	Melbourne, Vero Beach	
	APS	Fort Pierce, Port St. Lucie	

**Note 1:** See A3.7.2 for Premium EOEAS regulations and rates.

**Note 2:** LCP regulations and rates apply to this terminating exchange.

**A3. BASIC LOCAL EXCHANGE SERVICE**

**A3.3 Local Calling Areas (Cont'd)**

**A3.3.1 Local Calling Areas for Basic Flat Rate Service, Area Plus<sup>®</sup> Service, Complete Choice<sup>®</sup> Service and Message Rate Service (Cont'd)**

Exchange	Category	Additional Exchanges
Stuart <sup>1</sup>	EAS	Hobe Sound, Indiantown (ICE), Jensen Beach, Port St. Lucie
	ECS	Jupiter, West Palm Beach
	APS	Fort Pierce, Pahokee, Vero Beach
Sugarloaf Key	EAS	Big Pine Key, Key West
	ECS	Homestead, Islamorada, Key Largo, Marathon, Miami, North Key Largo, Perrine
Sunny Hills <sup>1</sup>	EAS	ChIPLEY, Vernon
	ECS	Lynn Haven, Panama City, Panama City Beach, Youngstown-Fountain
	APS	Alford (ICE), Altha (ICE), Blountstown (ICE), Bonifay (ICE), Bristol (ICE), Cottondale (ICE), Graceville, Grand Ridge (ICE), Greenwood (ICE), Malone (ICE), Marianna (ICE), Reynolds Hill (ICE), Tyndall AFB (ICE), Westville (ICE), Wewahitchka (ICE)
Titusville	EAS	Cocoa, Cocoa Beach
	ECS	Eau Gallie, Melbourne
	APS	DeBary, East Orange, Geneva, Orange City (ICE), Orlando, Oviedo, Sanford, St. Cloud (ICE), Winter Park (ICE)
Trenton	EAS	Chiefland, Gainesville, Newberry
	APS	Archer, Bronson, Brooker (ICE), Cedar Key, Cross City, McIntosh (ICE), Micanopy, Old Town, Williston (ICE)
Vernon	EAS	ChIPLEY, Sunny Hills
	ECS	Bonifay <sup>2</sup> (ICE), Lynn Haven, Panama City, Westville <sup>2</sup> (ICE)
	APS	Alford (ICE), Altha (ICE), Cottondale (ICE), Graceville, Greenwood (ICE), Marianna (ICE), Panama City Beach, Reynolds Hill (ICE), Tyndall AFB (ICE), Youngstown-Fountain
Vero Beach <sup>1</sup>	EAS	Sebastian
	ECS	Fort Pierce
	APS	Jensen Beach, Port St. Lucie, Stuart
Weekiwachee Springs	EAS	Brooksville
	APS	Beverly Hills (ICE), Bushnell (ICE), Crystal River (ICE), Dade City (ICE), Dunnellon, Homasassa Springs (ICE), Inverness (ICE), San Antonio (ICE), Trilacoochee (ICE), Yankeetown
Welaka	EAS	Crescent City (ICE), Palatka, Pomona Park
	APS	Florahome (ICE), Green Cove Springs, Hastings (ICE), Interlachen (ICE), Kingsley Lake (ICE), St. Augustine, St. Johns

**Note 1:** See A3.7.2 for Premium EOEAS regulations and rates.

**Note 2:** LCP regulations and rates apply to this terminating exchange.

(C)

**A3. BASIC LOCAL EXCHANGE SERVICE**

**A3.3 Local Calling Areas (Cont'd)**

**A3.3.1 Local Calling Areas for Basic Flat Rate Service, Area Plus® Service, Complete Choice® Service and Message Rate Service (Cont'd)**

Exchange	Category	Additional Exchanges	
West Palm Beach	EAS	Boynton Beach, Jupiter	
	ECS	Belle Glade, Boca Raton, Delray Beach, Hobe Sound, Jensen Beach, Pahokee, Port St. Lucie, Stuart	
	APS	Coral Springs, Deerfield Beach, Indiantown (ICE), Pompano Beach	
Yankeetown	EAS	Crystal River (ICE), Dunnellon	
	APS	Archer, Belleview (ICE), Beverly Hills (ICE), Bronson, Brooksville, Cedar Key, Chiefland, Homosassa Springs (ICE), Inverness (ICE), Ocala (ICE), Weekiwachee Springs, Williston (ICE)	
	EAS	Lynn Haven, Panama City	
Youngstown-Fountain	ECS	Chipley, <i>Panama City Beach</i> , Sunny Hills, <i>The Beaches (ICE)</i> , Tyndall AFB (ICE)	(C)
	APS	Alford (ICE), Altha (ICE), Blountstown (ICE), Bonifay (ICE), Bristol (ICE), Cottondale (ICE), Grand Ridge (ICE), Greenwood (ICE), Hosford (ICE), Marianna (ICE), Port St. Joe (ICE), Sneads (ICE), Vernon, Westville (ICE), Wewahitchka (ICE)	(C)
	EAS	Fernandina Beach, Jacksonville	
Yulee	EAS	Baldwin, Callahan (ICE), Hilliard (ICE), Jacksonville Beach, Julington, MacClenny (ICE), Maxville, Orange Park, Ponte Vedra Beach	
	APS		

**A3.4 Flat Rate Service**

**A3.4.1 General**

A. Monthly exchange rates shown in A3.4.2 are applicable in each exchange for classes of basic local exchange service offered.

**A3.4.2 Monthly Rates**

A. The rates specified herein entitle subscribers to an unlimited number of messages to all exchange access lines bearing the designation of central offices within the serving exchange and extended area service additional exchanges or portions of exchanges as shown in A3.3.1 of this Tariff.

**B. Residence and Business Exchange Access Line Rates**

1. Flat Rate Service

a. Residence Service

(1) Rate Groups 1 - 6

\*Registered Service Mark of BellSouth Corporation  
 Service Mark of BellSouth Corporation

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