

EX-101 COPY

J. Phillip Carver
General Attorney

BellSouth Telecommunications, Inc.
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150 So. Monroe Street
Tallahassee, Florida 32301
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February 27, 1997

Mrs. Blanca S. Bayó
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Docket No. 970172-TP (MCI-Deregulated Payphone Investment)

Dear Ms. Bayó:

Enclosed is an original and fifteen copies of BellSouth Telecommunications, Inc.'s Answer to MCI Telecommunications Corporation's Petition to Reduce CCL to Remove Payphone Investment from Rates of BellSouth, which we ask that you file in the captioned matter.

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

Sincerely,

J. Phillip Carver
(AM)

J. Phillip Carver

Enclosures

cc: All parties of record
A. M. Lombardo
R. G. Beatty
William J. Ellenberg II

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**CERTIFICATE OF SERVICE
DOCKET NO. 970172-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served by
U.S. Mail 27th day of February, 1997 to the following:

=====

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J. Phillip Carver
J. Phillip Carver (Pw)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: MCI Telecommunications)	
Corporation's Petition to Reduce)	Docket No. 970172-TP
CCL to Remove DeRegulated Payphone)	
Investment from the rates of)	
BellSouth Telecommunications, Inc.)	Filed: February 27, 1997

**BELLSOUTH TELECOMMUNICATIONS, INC.'S ANSWER TO
MCI'S PETITION TO REDUCE CCL TO REMOVE PAYPHONE
INVESTMENT FROM RATES OF BELLSOUTH**

BellSouth Telecommunications, Inc., ("BellSouth" or the "Company"), hereby files, pursuant to Rule 25-22.037, Florida Administrative Code, its Response to the MCI Telecommunications Corporation's ("MCI") Petition to Reduce CCL to Remove Payphone Investment from Rates of BellSouth and states the following:

1. As to the allegations of Paragraph 1 of the Petition, BellSouth is without sufficient information or knowledge to either admit or deny these allegations. Accordingly, they are deemed to be denied.
2. As to the allegations of Paragraph 2 of the Petition, these allegations are admitted.
3. As to the allegations of Paragraph 3 of the Petition, BellSouth is without sufficient information or knowledge to either admit or deny these allegations. Accordingly, they are deemed to be denied.

4. As to the allegations of Paragraphs 4 through 10 of the Petition, these Paragraphs set forth MCI's assertions as to various matters of law. These allegations are not factual in nature, and therefore, do not require an answer. To the extent MCI, however, contends that anything set forth in this section entitles it to relief, these allegations are deemed to be denied.

5. As to the allegations in Paragraphs 11 through 16 of the Petition, although these are identified as factual allegations, these allegations, in the main, constitute MCI's interpretation of various FCC Orders, and the duties that MCI believes BellSouth to have under these orders. To the extent that anything set forth in this section constitutes a factual allegation, it is hereby denied. Moreover, BellSouth specifically denies the allegations of Paragraph 15 of the Petition, which sets forth MCI's assertion as to proper amount of the "intrastate deregulated payphone revenue requirements associated with the removal of payphone investment and associated expenses".

6. BellSouth further Specifically denies the allegations of Paragraph 16 to the extent they are intended to imply that the entire revenue requirement equals the amount of any subsidy. This analysis fails entirely to consider the fact that expenses

and investments are offset by existing associated revenues such as the set use fee and the 25¢ message rate.

7. As to the allegations of Paragraphs 17 through 20 of the Petition, these purport to be MCI's statement of the public policy supporting its position. Accordingly, these are not factual allegations that require a response. To the extent that any are factual in nature, they are hereby denied. Moreover, BellSouth specifically denies that, as a matter of policy, the CCL charge should be removed as requested by MCI. BellSouth asserts that the public policy will be better served by implementing the reductions in the manner set forth in the applicable BellSouth tariff that was filed on February 26, 1997.

8. As to the allegations of Paragraph 21 of the Petition, BellSouth admits that MCI has a substantial interest in the matters set forth in its Petition.

9. As to the allegations of Paragraph 22 of the Petition, BellSouth states that the calculation of the revenue requirement reduction is, in fact, a disputed fact, and BellSouth specifically denies the allegations of MCI regarding this calculation (as described above).

10. As to the allegations of Paragraph 23 of the Petition, this paragraph does not contain factual allegations, but rather

sets forth a prayer for relief. Accordingly no response is required. BellSouth, however, denies that MCI is entitled to the relief requested therein.

Respectfully Submitted this 27th day of February, 1997.

BELLSOUTH TELECOMMUNICATIONS, INC.

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