

FLORIDA PUBLIC SERVICE COMMISSION
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MEMORANDUM

SEPTEMBER 25, 1997

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TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF COMMUNICATIONS (ISLER) *Pij*
DIVISION OF AUDITING & FINANCIAL ANALYSIS (D. DRAPER) *DD*
DIVISION OF LEGAL SERVICES (K. PEÑA) *KP* *MCB*

RE: DOCKET NO. 971056-TX - BELL SOUTH BSE, INC. - APPLICATION
FOR CERTIFICATE TO PROVIDE ALTERNATIVE LOCAL EXCHANGE
TELECOMMUNICATIONS SERVICE

AGENDA: OCTOBER 7, 1997 - REGULAR AGENDA - PROPOSED AGENCY ACTION
- INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\CMU\WP\971056TX.RCM

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission grant BellSouth BSE, Inc. a certificate to provide alternative local exchange service within the state of Florida?

RECOMMENDATION: Yes. BellSouth BSE, Inc. should be granted alternative local exchange service Certificate No. 5261. (Isler)

STAFF ANALYSIS: On August 15, 1997, BellSouth BSE, Inc. filed an application with this Commission to provide alternative local exchange service in Florida. BellSouth BSE, Inc. is a wholly owned subsidiary of BellSouth BSE Holdings, Inc., which is a wholly owned subsidiary of BellSouth Corporation. The Commission's Division of Auditing and Financial Analysis determined that BellSouth BSE appears to meet the financial capability standard of Section 364.337, Florida Statutes.

Staff notes that ALECs do not have interLATA authority and a company must apply for an interexchange carrier certificate to carry interLATA toll traffic. BellSouth BSE has not applied for an IXC certificate, thus, granting BellSouth BSE ALEC authority will not circumvent the 271 proceeding currently before the Commission in Docket No. 960786-TL, In Re: Consideration of

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BellSouth Telecommunications, Inc.'s entry into interLATA services pursuant to Section 271 of the Federal Telecommunications Act of 1996. Staff also notes that the Commission approved BellSouth Long Distance, Inc.'s application for an IXC certificate at the September 9, 1997, Agenda Conference in Docket No. 960902-TI. The Commission granted BellSouth Long Distance, Inc. authority to provide "incidental interLATA services," as defined in Section 271(g) of the Telecommunications Act of 1996. The Commission's approval of BellSouth Long Distance's application prohibited the provision of regular interLATA long distance service until BellSouth is permitted by the Federal Communications Commission to provide such service.

BellSouth BSE attached a price list as an exhibit to its application. The application stated that it was "an illustrative price list in substantially the form of the price list to be filed..." by the company once it begins providing service. Staff acknowledges the exhibit as such and notes that the price list filed with the application is illustrative only and should not be approved by the Commission as a formal price list filing.

Since BellSouth BSE, Inc. appears to have sufficient financial, managerial, and technical capabilities, staff recommends that the Commission grant Certificate No. 5261 to the company to provide alternative local exchange telecommunications service in Florida.

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, if no person whose substantial interests are affected by the Commission's Proposed Agency Action files a protest within 21 days of the issuance of the Order. (K. Peña)

STAFF ANALYSIS: This docket should be closed if no person whose substantial interest are affected by the Commission's Proposed Agency Action files a protest with 21 days of the issuance of the Order.