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January 15, 1998

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

RE: Docket No. [REDACTED]

Dear Mrs. Bayo:

Enclosed is an original and fifteen copies of BellSouth Telecommunications, Inc.'s Prehearing Statement. We ask that this be filed 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 on the parties shown on the attached Certificate of Service.

Sincerely,

Gregory D. Artis (re)
Gregory D. Artis

Enclosures

- ACK 1
- cc: A. M. Lombardo
- AFA R. G. Beatty
- APP [Signature] J. Ellenberg
- CAF 2
- CMU 2
- CTR
- EAG
- LEG
- LIN 5
- OPC
- RCH
- SEC 1
- WAS
- OTH

RECEIVED & FILED
[Signature]
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
[REDACTED]
FPSC-RECORDS/REPORTING

**CERTIFICATE OF SERVICE
DOCKET NO. 970882-TI**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via U. S. Mail this 15th day of January, 1998 to the following:

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Gregory D. Artis

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed Rule 25-24.845, F.A.C.,)
Customer Relations; Rules Incorporated,)
and Proposed amendments to Rules 25-4.003)
F.A.C., Definitions; 25-4.110, F.A.C.,)
Customer Billing; 25-4.118, F.A.C.,)
Interexchange Carrier Selection; 25-24-490,)
Rules Incorporated)

Docket No. 970882-TI

Filed: January 15, 1998

**BELLSOUTH TELECOMMUNICATIONS, INC.'S
PREHEARING STATEMENT**

BellSouth Telecommunications, Inc. ("BellSouth"), in compliance with the Order Granting Petition by the Attorney General and Office of Public Counsel and Establishing Procedure (Order No. PSC-97-1071-PCO-TI) issued September 12, 1997 as modified by the Order Modifying Procedure (Order No. PSC 98-0086-PCO-TI) issued January 2, 1998, submits its Prehearing Statement for Docket No. 970882-TI.

A. Witnesses

BellSouth proposes to call the following witness to offer testimony on the issues set forth in this matter:

Jerry Hendrix

(Direct) All issues

BellSouth reserves the right to call witnesses to respond to Commission inquiries not addressed in direct or rebuttal testimony and witnesses to address issues not presently designated that may be designated by the Prehearing Officer at the prehearing conference to be held on January 23, 1998.

DOCUMENT NUMBER-DATE

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B. Exhibits

BellSouth presently has no exhibits to pre-file in this matter. BellSouth, however, reserves the right to introduce exhibits for cross-examination, impeachment, or any other purpose authorized by the applicable Florida Rules of Evidence and Rules of this Commission.

C. Statement of Basic Position

BellSouth states that it is opposed to slamming and cramming and believes every reasonable effort should be taken to resolve this problem. The response of regulatory agencies should focus on severely and quickly punishing willful and repeated offenders; effectively removing offenders' economic incentive to slam customers. BellSouth also recommends that one set of rules across all jurisdictions be established in order to minimize confusion and implementation costs. As competition continues to evolve in the remaining markets, local toll and local exchange service, slamming will become more pervasive without proper rules and strict enforcement. BellSouth supports the need for uniform rules. Uniform rules for authorization and verification are more cost effective and more easily administered. Uniform rules are also easier for customers to understand.

Questionable marketing tactics by some carriers have brought slamming to the forefront of concern for customers and the industry. BellSouth supports rules that would prohibit the authorization of a change of provider being combined with inducements. Also, rules that prohibit deceptive marketing practices should be enacted. BellSouth also supports answer time requirements for all providers, so that customers can obtain assistance for

their concerns. Rules to eliminate slamming should not, however, create additional and costly burdens on those carriers, including local exchange companies, who choose to operate in a fair and reasonable manner.

BellSouth also supports the need to eliminate the practice of adding unwanted additional services and charges, commonly referred to as "cramming" to a customer's bill.

However, BellSouth does not support the use of a billing block with personal identification numbers. Cost issues for this service, with nationwide implications, have not been sufficiently addressed.

BellSouth believes that the most effective methods of preventing slamming and cramming is the application of significant penalties for those carriers who willfully and repeatedly use these tactics. Heavy financial penalties and or suspension and withdrawal of certification of willful offenders as authorized by Chapter 264.285 of the Florida Statutes will reduce, if not eliminate, slamming and cramming while not imposing undue burden on those carriers who operate within the rules.

Strict enforcement of existing rules along with the changes that BellSouth supports would preclude the need for rules which will add cost to the companies that operate within the existing guidelines. The cost for imposing unnecessary new rules will inevitably be paid by the end user in the form of higher prices. Simply stated, heavy financial penalties will remove the financial incentives to build market share by willfully slamming and

cramming customers. When the financial incentive is removed, there should be a drastic decrease in occurrence.

D. BellSouth's Position on the Issues

Issue No. 1: Should additional safeguards be adopted by the Commission to protect consumers from slamming? If so, what safeguards should be adopted.

Position: Yes. The Commission should adopt some additional safeguards as stated in our basic position, combined with using its existing authority more vigorously to protect consumers from slamming. BellSouth cannot presently recommend the adoption of all the rules as proposed by the Commission staff. Those rules, if adopted, would lead to unwarranted administrative burdens on carriers, including local exchange companies, customer confusion and increased costs, which costs undoubtedly would be passed to the end users. Additionally, the rules could be misused by persons attempting to engage in consumer fraud.

E. Statement of Question of Law

BellSouth is not aware of any question of law in this docket.

F. Statement of Policy Question at Issue

BellSouth is not aware of any policy question at issue in this docket.

G. Stipulations

BellSouth is not aware of any stipulations between the parties in this proceeding.

H. Pending Motions Filed By BellSouth

There are no currently pending motions filed by BellSouth.

I. Other Requirements

BellSouth knows of no requirement set forth in the Prehearing Order with which it cannot comply.

Respectfully submitted this 15th day of January, 1998

BELLSOUTH TELECOMMUNICATIONS, INC.

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