

ORIGINAL

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April 13, 1998

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. 971399-TP Lifting of Marketing Restrictions
Imposed by Order No. PSC-96-1569-FOF-TP**

Dear Ms. Bayó:

Enclosed is an original and fifteen copies of BellSouth Telecommunications, Inc.'s Rebuttal Testimony of Hilda Geer, which we ask that you file in the above-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,

Nancy B. White
(BW)

Nancy B. White

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU *DeLu*
- CTR _____
- EAG _____
- LEG 1
- LIN *54 674*
- QPC _____
- RCH _____
- SEC 1
- WAS _____
- JTH _____

NBW/vf

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

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CERTIFICATE OF SERVICE
Docket No. 971399-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served
by U.S. Mail this 13th day of April, 1998 to the following:

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BELLSOUTH TELECOMMUNICATIONS, INC.
REBUTTAL TESTIMONY OF HILDA GEER
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 971399-TP
APRIL 13, 1998

Q. PLEASE STATE YOUR NAME, ADDRESS AND POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH" OR "THE COMPANY").

A. My name is Hilda Geer. I am employed by BellSouth as Director - Consumer - South Florida. My business address is 600 N.W. 79th Avenue, Miami, Florida.

Q. ARE YOU THE SAME HILDA GEER WHO FILED DIRECT TESTIMONY?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to rebut the testimony filed by witness Sandra Seay on behalf of MCI Telecommunications Corporation, AT&T Communications of the Southern States, Inc. and the Florida Competitive Carriers Association in Docket No. 971399-TP. Complementing my direct testimony, my rebuttal testimony further justifies the lifting of certain marketing restrictions imposed by the Florida Public Service Commission's Order No. PSC-96-1569-FOF-TP in Docket Nos. 930330-TP and 960658-TP.

1

2 Q. IN HER DIRECT TESTIMONY, DID WITNESS SEAY ADDRESS CHANGES IN
3 THE LOCAL TOLL MARKET SINCE THE MARKETING RESTRICTIONS
4 WERE IMPLEMENTED ?

5

6 A. No. Ms. Seay has simply restated stale arguments from years past. Based on her
7 direct testimony, witness Seay would have this Commission believe that the Local
8 Toll market has remained stagnant during the past two years. The complainants have
9 made no attempt to quantify the effects of the marketing restrictions in Florida.

10

11 Q. DO YOU UNDERSTAND QUALITATIVELY HOW COMPETITION HAS AND IS
12 CONTINUING TO EVOLVE?

13

14 A. Yes. My direct testimony contains data that overwhelmingly reflects the impact of
15 the Commission's marketing restrictions. Exhibit HG-1, page 1 of 1, of my direct
16 testimony contains conclusive evidence that competition for local toll services is
17 thriving. Exhibit HG-1 shows that of the 4,569,797 Local Presubscribed
18 Interexchange Carrier (LPIC) changes from January, 1997 through February, 1998,
19 BellSouth was not the intraLATA toll carrier on 57% of the residential lines and 46%
20 of the business lines. This clearly demonstrates that intraLATA toll competition is
21 thriving in Florida.

22

23 Q. YOU HAVE SET FORTH QUANTITATIVE DATA THAT MEASURES THE
24 EFFECTIVENESS OF THE COMMISSION'S RESTRICTIONS IN THE LOCAL

25

1 TOLL MARKET, WHAT QUANTITATIVE DATA HAS WITNESS SEAY SET
2 FORTH TO SUPPORT THE COMPLAINANTS POSITION ?

3

4 A. None.

5

6 Q. WHY DO YOU BELIEVE WITNESS SEAY DOES NOT ATTEMPT TO
7 ADDRESS SUCH CHANGES ?

8

9 A. It appears that witness Seay thinks this Commission, and its staff, has its head in the
10 sand when it comes to monitoring and understanding market place dynamics. The
11 complainants apparently believe that this Commission is more interested in
12 philosophical and anecdotal arguments as opposed to quantitatively understanding
13 how competition is evolving. By setting forth stale and dated equal access
14 arguments, which by the way are applicable to a market that BellSouth is prohibited
15 from operating in (Long Distance), witness Seay attempts to skirt the very spirit and
16 intentions of the Commission in this Docket. The Commission's intent in this
17 Docket was to dramatically change the competitive landscape in the local toll market.
18 Imposing the restrictions on BellSouth was its mechanism for achieving this goal.

19

20 Q. YOU STATE THAT THE SPIRIT AND INTENT OF THE COMMISSION'S
21 MARKETING RESTRICTIONS WAS TO CHANGE THE COMPETITIVE
22 LANDSCAPE FOR THE LOCAL TOLL MARKET, HAS THE COMMISSION
23 ACHIEVED THIS GOAL ?

24

25

1 A. Yes. As the evidence in my direct testimony shows, with the imposition of the
2 marketing restrictions the Commission has achieved its goal. Failure by witness Seay
3 to even acknowledge such dramatic changes in the market place borders on disrespect
4 to this Commission and its Staff for its achievements.

5

6 Q. WITNESS SEAY ON PAGE 10 LINE 5 OF HER TESTIMONY SUGGESTS THAT
7 REMOVING THE RESTRICTIONS WOULD GIVE BELLSOUTH AN UNFAIR
8 ADVANTAGE BECAUSE BELLSOUTH IS THE ONLY COMPANY THAT A
9 CONSUMER CAN CALL FOR NEW SERVICE, HOW DO YOU RESPOND ?

10

11 A. If BellSouth is the only company a consumer can call for new local exchange service,
12 it is because the entities that witness Seay represents want it to be that way. Other
13 proceedings before this Commission have created a framework for local competition
14 to evolve, yet many of the providers, including the ones involved in this proceeding,
15 have been very "selective in choosing" where and to whom they offer local exchange
16 services. The IXC's are very adept at soliciting customers to use their services.
17 Customers are now aware that they have choices of carriers.

18

19 Q. YOU STATE THAT THE COMMISSION HAS BEEN SUCCESSFUL IN
20 CREATING A COMPETITIVE MARKET FOR LOCAL TOLL SERVICES, IF THE
21 COMMISSION LIFTS ITS RESTRICTIONS, HOW CAN IT BE ASSURED THAT
22 COMPETITION WILL CONTINUE TO FLOURISH ?

23

24 A. As is evident in the data I have presented, the market for local toll services is very
25 competitive. Removing the restrictions from BellSouth will stimulate innovation

1 (e.g., more competitive calling plans) among all local toll providers. Releasing
2 BellSouth will force other service providers to introduce new local toll service to
3 acquire new customers and retain existing ones.
4

5 Q. IF THE COMMISSION CHOOSES TO REMOVE THE MARKETING
6 RESTRICTIONS FOR NEW CUSTOMERS, WHAT PRACTICES AND PROMPTS
7 WILL BELLSOUTH EMPLOY?
8

9 A. BellSouth will continue to advise customers that they have options. BellSouth will
10 employ the practices as outlined in my direct testimony. They are as follows:

- 11 1. BellSouth would advise the customer that he has an option of selecting a long
12 distance carrier for local tolls.
- 13 2. BellSouth would advise the customer that BellSouth can provide his local toll
14 service.
- 15 3. BellSouth would offer to read to the customer the list of available carriers. If the
16 customer responds affirmatively, then the list should be read.
17

18 Q. SO EVEN IF THE COMMISSION REMOVES THE MARKETING
19 RESTRICTIONS FOR NEW CUSTOMERS, BELLSOUTH WILL CONTINUE TO
20 ADVISE CUSTOMERS THAT OTHER CARRIERS ARE AVAILABLE AND
21 OFFER TO READ A LIST OF THOSE CARRIERS?
22

23 A. Yes.
24
25

1 Q. WILL THESE PRACTICES ADVANTAGE BELLSOUTH AS ALLEGED BY
2 WITNESS SEAY ?

3

4 A. BellSouth will not be advantaged by these practices. The local toll market is
5 extremely competitive today. Competition will only increase and intensify as
6 providers of local toll develop more competitive calling plans for consumers.

7

8 Q. WHAT IMPACT WILL REMOVING THE MARKETING RESTRICTIONS HAVE
9 ON THE CUSTOMER CONFUSION THAT YOU DESCRIBED IN YOUR DIRECT
10 TESTIMONY ?

11

12 A. Under the Commission's current restrictions, when a customer contacts BellSouth, the
13 Company is prohibited from discussing its intraLATA toll services unless the subject
14 is introduced by the customer. Consequently, when a new customer selects an
15 intraLATA toll carrier other than BellSouth, the Company is restricted from educating
16 the customer about the impact of that choice on the local calling plan he may have
17 chosen or to which he has access. As a result, new customers who choose an
18 intraLATA toll carrier other than BellSouth will not know how to obtain the benefits
19 of the first type of local plan previously described. Further, in certain circumstances a
20 new customer could be paying for a service for which he has received no benefit. If
21 BellSouth is allowed to market its intraLATA toll services, customers can be
22 educated and such conflicts can be explained. BellSouth should be allowed to inform
23 customers of such conflicts without having to wait "until the subject is introduced by
24 the customer." BellSouth will continue to inform the customer in as competitively

25

1 neutral a manner as possible. This type of customer confusion will be all but
2 eliminated if BellSouth is at least allowed to educate the customer about its services.

3

4 Q. WOULD YOU PLEASE SUMMARIZE YOUR TESTIMONY ?

5

6 A. Yes. Witness Sandra Seay has simply restated stale arguments from years past.
7 Based on her direct testimony, witness Seay would have this Commission believe that
8 the Local Toll market has remained stagnant during the past two years. The
9 complainants have made no attempt to quantify the affects of the marketing
10 restrictions imposed on BellSouth in Florida. Even absent quantifiable data, they
11 have not set forth a compelling argument, either philosophical or anecdotal, as to why
12 BellSouth should remain shackled by these restrictions.

13

14 BellSouth has been prohibited from marketing its local toll services to both new and
15 existing customers for nearly two years. The data contained in my direct testimony,
16 and further supported in my rebuttal, is evidence that competition in the local toll
17 market is flourishing in Florida.

18

19 BellSouth should be allowed to educate and to market its local toll services to new
20 customers in Florida. The Commission's restrictions should be lifted.

21

22 Q. DOES THIS CONCLUDE YOUR TESTIMONY ?

23

24 A. Yes.

25