

NANCY B. WHITE
Assistant General Counsel-Florida

BellSouth Telecommunications, Inc.
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
(305) 347-5558

ORIGINAL

May 15, 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 Prehearing Statement, 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
Nancy B. White (encl)

- ACK 1
- AFA _____
- APP _____
- CAF _____
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- CTR _____
- EAG _____
- LEG 1
- LIN 5
- OPC _____
- RCH _____
- SEC 1
- WAS _____
- OTW _____

NBW/vf

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

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16
FPSC-DIVISION OF RECORDS

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FPSC-RECORDS/REPORTING

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 15th day of May, 1998 to the following:

Staff Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Thomas K. Bond
MCI Telecommunications Corp.
780 Johnson Ferry Road
Suite 700
Atlanta, GA 30342

Richard D. Melson *
Hopping Green Sams & Smith
123 South Calhoun Street
Tallahassee, FL 32314
Atty. for MCI

Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Reeves & McGlothlin,
Davidson, Rief & Bakas
117 South Gadsden Street
Tallahassee, Florida 32301
Attys. for FIXCA
Attys. for FCCA
(850) 222-2525

Marsha Rule
AT&T Communications of the
Southern States, Inc.
101 North Monroe Street
Suite 700
Tallahassee, FL 32301

Brian Sulmonetti, President
Florida Competitive Carriers Assoc.
1515 South Federal Highway
Suite 400
Boca Raton, FL 33432

Peter M. Dunbar, Esq.
Barbara D. Auger, Esq.
Pennington, Moore, Wilkinson
& Dunbar, P.A.
P.O. Box 10095
Tallahassee, FL 32302
Tel. No. (850) 222-3533
Fax. No. (850) 222-2126

Carolyn Marek
V.P. - Regulatory Affairs
S.E. Region
Time Warner Comm.
P.O. Box 210706
Nashville, Tennessee 37221
Tel No. (615) 673-1191
Fax No. (615) 673-1192

Nancy B. White
Nancy B. White (pd)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

In re: Petition of BellSouth Telecommunications,) Docket No. 971399-TP
Inc. to lift Marketing Restrictions Imposed by)
Order PSC 96-1569-FOF-TP)
_____) Filed: May 15, 1998

PREHEARING STATEMENT OF BELLSOUTH TELECOMMUNICATIONS, INC.

BellSouth Telecommunications Inc. ("BellSouth"), in compliance with the Order Establishing Procedure (Order No. PSC-96-0330-PCO-TP) issued February 25, 1998, hereby submits its Prehearing Statement for Docket No. 971399-TP.

A. Witnesses

BellSouth proposes to call the following witness to offer direct and rebuttal testimony on the issues in this docket:

<u>Witness</u>	<u>Issue(s)</u>
Hilda Geer (Direct and Rebuttal)	All

BellSouth reserves the right to call additional witnesses, 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 June 1, 1998.

B. Exhibits

Hilda Geer	HG-1	FL LPIC Activity from 1/1/97 - 3/1/98
Hilda Geer	HG-2	Letters of Authorization

BellSouth reserves the right to file exhibits to any additional testimony that may be filed under the circumstances identified in Section "A" above. BellSouth also 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

The Commission imposed certain intraLATA marketing restrictions on BellSouth in Florida by its Order PSC-96-1569-FOF-TP issued on December 23, 1996, in Docket Nos. 930330-TP and 960658-TP. These restrictions prohibited BellSouth from marketing intraLATA toll services to existing customers for 18 months and from marketing intraLATA toll services to new customers without any term limitations. The intent of these marketing restrictions was to promote intraLATA toll competition in Florida by increasing customers' awareness and allowing the interexchange carriers (IXCs) time to establish their presence in the intraLATA toll market.

The restrictions as to existing customers expires June 23, 1998, and the current marketing conditions as to new customers are markedly different than they were when the Commission imposed these restrictions. There has been increased activity in the intraLATA market over the past two years indicating the presence of a thriving intraLATA toll market as was intended by the Commission Order. Therefore, the Commission should lift the marketing restrictions imposed

on BellSouth by Order PSC-96-1569-FOF-TP since the intent of that Order has been met.

D. BellSouth's Position on the Issues

Issue 1: Should the Commission grant BellSouth relief from the requirements of Section III of Order No. PSC-96-1659-FOF-TP, issued December 23, 1996, in Docket Nos. 930330-TP and 960658-TP?

Position: Yes. The current market conditions are markedly different than they were when the Commission imposed the restrictions at issue. The increased activity in the intraLATA market in the last two years is evidence of a thriving intraLATA toll market as intended by the Commission's Order. Since the intent of that Order has been met, the restrictions should be lifted.

Issue 1a: What relief, if any, is appropriate?

Position: The marketing restrictions imposed by Order No. PSC 96-1659-FOF-TP should be lifted.

E. Stipulations

There are no stipulations of which BellSouth is aware.

F. Pending Motions

There are no pending motions at this time.

G. Other Requirements

BellSouth knows of no requirement set forth in any prehearing order with which it cannot comply.

Respectfully submitted this 15th day of May, 1998.

BELLSOUTH TELECOMMUNICATIONS, INC.

Robert G. Beatty (att)

ROBERT G. BEATTY
NANCY B. WHITE
c/o Nancy Sims
150 South Monroe Street, #400
Tallahassee, Florida 32301
(305) 347-5555

William J. Ellenberg II (att)

WILLIAM J. ELLENBERG II
MARY K. KEYER
675 West Peachtree Street, #4300
Atlanta, Georgia 30375
(404)335-0711