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ORIGINAL

December 21, 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. 981052-TP

Dear Mrs. Bayo:

Enclosed are an original and 15 copies of the Prehearing Statement of BellSouth Telecommunications, Inc. Please file this document in the captioned docket.

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,

*Mary K. Keyer* (kr)

Mary K. Keyer

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG 2
- LIN 3
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

Enclosures

cc: All Parties of Record  
A. M. Lombardo  
N. B. White  
W. J. Ellenberg (w/o enclosures)

RECEIVED & FILED

*MK*  
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FPSC-BUREAU OF RECORDS

**CERTIFICATE OF SERVICE**  
**Docket No. 981052-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via Federal Express this 21st day of December, 1998, to the following:

Andrea K. Welch  
Telephone Company of Central  
Florida, Inc.  
3599 W. Lake Mary Boulevard  
Suite E  
Lake Mary, Florida 32746  
(407) 328-5002

Mary K. Keyer (KE)  
Mary Keyer

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF TELEPHONE COMPANY OF )  
CENTRAL FLORIDA (TCCF) FOR ARBITRATION ) Docket No: 981052-TP  
OF RESALE AGREEMENT WITH BELL SOUTH )  
TELECOMMUNICATIONS, INC., PURSUANT )  
TO THE TELECOMMUNICATIONS ACT OF 1996) Dated: December 21, 1998  
\_\_\_\_\_)

**PREHEARING STATEMENT OF BELL SOUTH TELECOMMUNICATIONS, INC.**

BellSouth Telecommunications, Inc. ("BellSouth"), in compliance with the Order Establishing Procedure (Order No. PSC-98-1490-PCO-TP), issued on November 9, 1998, hereby submits its Prehearing Statement for the above-styled matter.

**A. Witnesses**

BellSouth proposes to call the following witnesses to offer testimony on the Complaint issue in this docket:

<b><u>Witness</u></b>	<b><u>Issue(s)</u></b>
Jerry D. Hendrix (Direct)	All
Susan Arrington (Rebuttal)	All
Marc Cathey (Rebuttal)	All

BellSouth proposes to call the following witnesses to offer testimony on the Arbitration issues in this docket:

<b><u>Witness</u></b>	<b><u>Issue(s)</u></b>
Susan Arrington	All
Daonne Caldwell	All
Marc Cathey	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 January 15, 1998. BellSouth has listed the witnesses for whom BellSouth believes testimony will be filed, but reserves the right to supplement that list if necessary.

### **B. Exhibits**

Susan Arrington	SMA-1	Proposed Operational Support Systems (OSS) Rates
	SMA-1	Sections of General Subscriber Service Tariff A112
	SMA-3	OSS Language Proposal (September 29, 1998)
	SMA-4	Letter Regarding Open Issues (July 10, 1998)
	SMA-5	Correspondence Regarding Accessing BellSouth's Interconnection Services Web Site
	SMA-6	BellSouth's Standard Service Order Intervals
Daonne Caldwell	DDC-1	OSS Electronic Interface and Manual Processing Cost Studies
Marc Cathey	MBC-1	Clarification Documents
	MBC-2	Correspondence (April 17, 1998, and May 19, 1998)
Jerry D. Hendrix	JDH-1	Parties' Resale Agreement (May 28, 1996)
	JDH-2	Sections of General Subscriber Service Tariff A112
Ron Pate	RMP-1	ALEC Process for Ordering MultiServ®
	RMP-2	BellSouth Process for Ordering MultiServ®

BellSouth reserves the right to file exhibits to any 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**

#### **Complaint Issue**

BellSouth complied with its May 28, 1996, Agreement with TCCF to provide ESSX® Service, which became a grandfathered service May 30, 1996. The Agreement specifically precludes the resale of grandfathered services. Moreover, TCCF settled all claims against BellSouth prior to March 14, 1997, and accepted another adjustment in October 1997. No Commission action is required.

#### **Arbitration Issue**

BellSouth is entitled to recover its costs of providing Operational Support Systems for ALECs' use. The charges and rates should be based on BellSouth's cost studies for electronic interface and manual processing of ALECs' orders. The parties should negotiate appropriate language. ESSX® Service is a grandfathered service unavailable for resale.

### **D. BellSouth's Position on the Issues**

#### **Complaint Issue**

**Issue 1: Has BST provided TCCF with ESSX® Service in compliance with the parties' resale agreement for periods of time not covered by settlements and adjustments made regarding ESSX? If not, what action, if any, should the Commission take?**

Position: The May 28, 1996, Resale Agreement between BellSouth and TCCF provided for the resale of “tariffed local exchange, including Centrex type services, available under Section A12 of the Florida tariff.” (Exhibit JDH-1, p. 2) The Agreement further specified that “[n]otwithstanding the foregoing, the following are not available for purchase: Grandfathered services . . . .” (Exhibit JDH-1, p. 2.) ESSX® Service, a Centrex type service, was obsoleted May 30, 1996, thereby becoming a grandfathered service at that time. (Exhibit JDH-2, p. 1.) Pursuant to the plain language of the parties’ Resale Agreement and BellSouth’s tariff, ESSX® Service was not, and should not have been, available to TCCF for resale to new customers after May 29, 1996.

Nevertheless, BellSouth’s account team for TCCF continued to work diligently with TCCF to attempt to provision the non-standard arrangement requested by TCCF. This arrangement was not the standard ESSX® Service provided for in BellSouth’s tariff. Due to the non-standard nature of this arrangement, the parties incurred difficulties in provisioning it. As a result of these difficulties, BellSouth made adjustments for TCCF and TCCF entered into a confidential full release and settlement agreement in which it settled all its claims against BellSouth through March 14, 1997. In October, 1997, BellSouth made yet another adjustment for TCCF for further problems incurred in provisioning the non-standard arrangement requested by TCCF.

Based on the foregoing, BellSouth provided TCCF with ESSX® Service in compliance with the parties’ Resale Agreement and the Commission should take no action with respect to the Complaint issue.

## **Arbitration Issues**

**Issue 1: Should BST be permitted to recover from TCCF its nonrecurring and recurring costs of providing OSS for use by ALECs?**

- A. If so, how should the charges for such use be determined?**
- B. What language and rates regarding OSS should be included?**

Position: BellSouth should be permitted to recover from TCCF its nonrecurring and recurring costs of providing Operational Support Systems (OSS) for use by ALECs. Section 251(c)(3) of the Telecommunications Act of 1996 ("the Act") requires BellSouth to develop non-discriminatory electronic interfaces for access to BellSouth's OSS in order to remove barriers to competition. BellSouth has complied with the Act and should be entitled to recover its OSS costs, both manual and electronic. The appropriate rates should be a mechanized order charge of \$6.78 per Local Service Request (LSR), and a manual order charge of \$20.08 per LSR, based on BellSouth's cost studies filed in this docket. The appropriate language to be included in the parties' new Resale Agreement should be negotiated by the parties and not dictated by the Commission.

Based on the foregoing, the Commission should find that BellSouth is permitted to recover its OSS costs from TCCF, that the charges should be based on BellSouth's cost studies, that the appropriate rates are \$6.78 per LSR for mechanized orders and \$20.08 per LSR for manual orders, and that the parties should negotiate the appropriate language for inclusion in their new Resale Agreement based on the Commission's order in this docket.

### **E. Stipulations**

BellSouth is aware of no stipulations.

**F. Pending Motions**

BellSouth has filed concurrent with its prehearing statement a motion to strike certain portions of the Direct Testimony of TCCF's witness, Andrea K. Welch.

**G. Other Requirements**

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

Respectfully submitted this 21st day of December, 1998.

BELLSOUTH TELECOMMUNICATIONS, INC.

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