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RECEIVED AND
REPORTING

January 29, 1999

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. 971627-TP (Ft. White-EAS)

Dear Mrs. Bayó:

Enclosed is an original and fifteen copies of BellSouth Telecommunications Inc.'s Brief of the Evidence, which we ask that you file 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 to the parties shown on the attached Certificate of Service.

RECEIVED & FILED

Sincerely,

- ACK _____
- AFA _____
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- OPC _____
- RCH _____
- SEC 1 _____
- WAS _____
- OTH _____

FPSC-BUREAU OF RECORDS

Mary K. Keyer
Mary K. Keyer (BW)

MKK/ds
Enclosures

cc: All parties of record
Nancy B. White
M. M. Criser, III
William J. Ellenberg II

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

**CERTIFICATE OF SERVICE
DOCKET NO. 971627-TP (Ft. White-EAS)**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via U.S. Mail this 29th day of January, 1999 to the following:

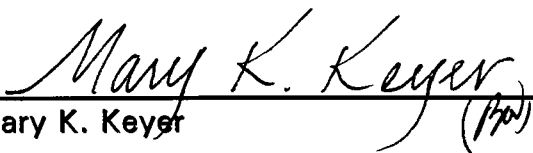
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Mary K. Keyser (PK)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by residents of Ft. White)
requesting extended area service between) Docket No. 971627-TL
Ft. White exchange in Columbia County and)
Gainesville exchange in Alachua County) Filed: January 29, 1999
_____)

**BELLSOUTH TELECOMMUNICATIONS, INC.'S
BRIEF OF THE EVIDENCE**

Nancy B. White
c/o Nancy Sims
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STATEMENT OF THE CASE

This docket was opened on September 22, 1997, in response to a petition filed on September 17, 1997, by the residents of Fort White requesting extended area service (EAS) be implemented between Fort White and Gainesville. The Fort White exchange is served by ALLTEL Florida, Inc., (ALLTEL) and is located in the Jacksonville Local Access Transport Area (LATA) in Columbia County, while the Gainesville exchange is served by BellSouth Telecommunications, Inc., (BellSouth) and is located in the Gainesville LATA in Alachua County.

By Order No. PSC-98-0098-FOF-TL, issued January 15, 1998, the Commission ordered ALLTEL to conduct a traffic study from the Fort White exchange to the Gainesville exchange in order to obtain information regarding the calling rate between these exchanges. ALLTEL, however, did not have the calling data available to it to complete the distribution criteria requested to determine whether the preliminary showing of a sufficient community of interest as required by Rule 25-4.060(3)(a), Florida Administrative Code, to require EAS, had been met. Therefore, the Commission, in Order No. PSC-98-0950-FOF-TL issued July 14, 1998, ordered the matter would be set for hearing in order to obtain additional information to assist the Commission in deciding whether the Fort White customers should be surveyed for non-optional, two-way, flat rate EAS. On August 7, 1998, in Order No. PSC-98-1057-PCO-TL, the Commission set the matter for technical hearing on January 11, 1999, and by notice dated December 15, 1998, set two public hearings to be held that same day.

Pursuant to the Commission's Order and Notice, the public and technical hearings were held on January 11, 1999, in Fort White, Florida.

STATEMENT OF BASIC POSITION

BellSouth does not have a position on whether Extended Area Service (EAS), one-way Extended Calling Service (ECS), or another form of toll relief is justified because traffic data on the Fort White/Gainesville route at issue in this docket is not available since the route between Fort White and Gainesville is an interLATA route. If the Commission determines, however, that a sufficient community of interest exists between the two exchanges, BellSouth is willing to implement Gainesville to Fort White EAS if BellSouth can recover its cost. If one-way interLATA ECS is ordered, BellSouth should charge terminating switched access rates for terminating traffic on this route.

BELLSOUTH'S POSITION ON THE ISSUES

Issue 1: Is there a sufficient community of interest on the Fort White/Gainesville route to justify non-optional extended area service (EAS) as currently defined in the Commission Rules or implementing an alternative toll plan?

****Position:** BellSouth does not have traffic data on this route to determine whether a sufficient community of interest exists to justify non-optional EAS as currently defined in the Commission Rules.

Because the route at issue in this docket is an interLATA route, BellSouth has no traffic data to determine whether there is a sufficient community of interest to justify surveying for non-optional extended area of service as currently defined in the Commission rules. (Tr., p. 27). Without traffic data, BellSouth can

reach no conclusion as to whether a community of interest exists. If the Commission orders an alternative plan, BellSouth believes the 25/25 plan with regrouping is the most appropriate.

Issue 2: If a sufficient community of interest is found to exist, what is the economic impact for the subscribers and the involved companies in implementing an alternative plan on the Ft. White/Gainesville route? (Summarize and discuss in detail the alternative toll plan and its rate structure):

- A) EAS with a 25/25 plan and re-grouping
- B) One-way extended calling service (ECS)
- C) Other (specify)

****Position:** A) Should the Commission determine that EAS is the appropriate method, there would no impact on Gainesville's subscribers as long as the Commission allows BellSouth to recover its costs. (Tr., p. 28).

B) and C) Should the Commission determine that one-way ECS or another alternative is the appropriate method, terminating access rates should be charged to the local exchange carrier completing calls on the same route. (Tr., p. 28)

The route involved in this docket carries interLATA traffic. Accordingly, BellSouth is required to charge interexchange carriers (IXCs) that complete calls on the subject route terminating access rates for terminating traffic. See, BellSouth's Access Services Tariff, E.1.1, et seq. While the Telecommunications Act of 1996 (the Act) does not prohibit BellSouth from terminating this interLATA traffic (47 U.S.C. §271(b)(4)), it does prohibit BellSouth from making any unjust or unreasonable discrimination in charges for that termination. (47 U.S.C. §

202(a)). Thus, unless BellSouth charges terminating access rates to a LEC originating the interLATA ECS call, as it would an IXC on the same route, a claim may be made that it is unjustly discriminating in the application of its access charges. The Commission recognized this limitation and, in Order No. PSC-97-0622-FOF-TL, stated:

Even if BellSouth can terminate interLATA traffic, it cannot make any unjust or unreasonable discrimination in termination charges. (47 U.S.C. §202(a)). Therefore, unless BellSouth charges terminating access rates to the LEC originating the interLATA ECS call, BellSouth could be considered to be unjustly discriminating in the application of its access charges.

Order No. PSC-97-0622-FOF-TL at 14.

Similarly, §364.16(3)(a), Fla. Stat., prohibits a local exchange company from delivering traffic for which terminating access service charges would otherwise apply through the use of a local interconnection arrangement. Accordingly, both the Act and Chapter 364 prohibit BellSouth from charging interconnection rates. If the Commission orders one-way ECS service on the subject route, BellSouth is required to charge terminating access rates to all originating carrier(s).

Issue 3: What are the appropriate rates for the alternative toll plan on the Ft. White/Gainesville route?

****Position:** If EAS is determined to be appropriate, BellSouth should recover its costs. If one-way ECS is determined to be appropriate, BellSouth should charge terminating switched access rates as set forth above.

Issue 4: What dialing pattern should be implemented if the Commission determines that toll relief is appropriate?


****Position:** BellSouth has no position on this issue.

CONCLUSION

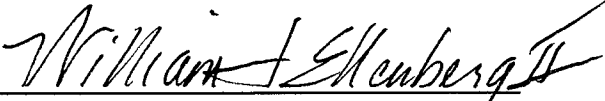
Because traffic data to determine a community of interest is not available on the Fort White to Gainesville route, BellSouth has no position on whether EAS, one-way ECS, or another form of toll relief is justified. If the Commission determines, however, that a sufficient community of interest does exist and EAS is considered to be in the best interest of Fort White and Gainesville subscribers, BellSouth would be willing to implement Gainesville to Fort White EAS provided the Commission allows BellSouth to recover its costs. If such a community of interest is determined to exist, and one-way interLATA ECS is ordered, BellSouth recommends terminating switched access rates as the appropriate rates for terminating traffic on these routes.

Respectfully submitted, this 29th day of January, 1999.

BELLSOUTH TELECOMMUNICATIONS, INC.



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