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July 5, 2001

Mrs. Blanca S. Bayó
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

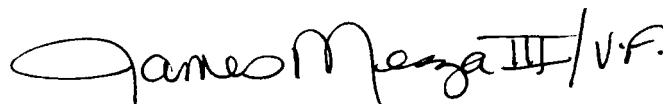
Re: Docket No. 010850-TP (CCS7 Access Arrangement Tariff)

Dear Ms. Bayó:

Enclosed is BellSouth Telecommunications, Inc.'s Motion to Dismiss Joint Petition and Joint Amended Petition, which we ask that you file 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 to the parties shown on the attached Certificate of Service.

Sincerely,



James Meza III

cc: All Parties of Record
Marshall M. Criser III
R. Douglas Lackey
Nancy B. White

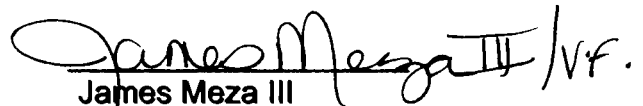
CERTIFICATE OF SERVICE
Docket No. 010850-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via

U.S. Mail this 5th day of July, 2001 to the following:

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition of US LEC of Florida,) Docket No. 010850-TP
Inc., XO Florida, Inc., Time Warner)
Telecom of Florida, L.P., ITC DeltaCom)
Communications and KMCTelecom, Inc.)
objection to and requesting suspension of)
proposed CC7 Access Arrangement Tariff)
filed by BellSouth Telecommunications, Inc.) Filed: July 5, 2001

**BELLSOUTH'S MOTION TO DISMISS
JOINT PETITION AND JOINT AMENDED PETITION**

BellSouth Telecommunications, Inc. ("BellSouth"), pursuant to Rule 28-106.24, Florida Administrative Code, respectfully submits this Motion to Dismiss the Joint Petition and Amended Joint Petition of XO Florida, Inc., US LEC of Florida, Inc., Time Warner Telecom of Florida, L.P., ITC DeltaCom Communications, and KMC Telecom, Inc. (the "Petition"). As explained below, BellSouth's tariff does not alter or affect the CCS7 rates that any carrier pays in relation to local calls pursuant to an approved interconnection agreement, and it does not alter or affect the CCS7 rates that any carrier pays in relation to interexchange, interstate calls pursuant to BellSouth's F.C.C. No. 1 tariff. Instead, this tariff establishes CCS7 rates for non-local intrastate calls that do not violate the price regulation statutes.

I. THE TARIFF DOES NOT ALTER OR AFFECT THE CCS7 RATES THAT ANY CARRIER PAYS PURSUANT TO APPROVED INTERCONNECTION AGREEMENTS OR THE CCS7 RATES THAT ANY CARRIER PAYS PURSUANT TO BELLSOUTH'S FCC TARIFF.

In order to explain the effect of the CCS7 tariff that is the subject of the Petition, it is helpful to explain what CCS7 service is, how carriers can use BellSouth's CCS7 service, and how carriers were paid? for this service prior to this tariff. CCS7 provides signaling functionality for call routing and completion as well as access to various

databases. ALECs, wireless carriers, and other ILECs operating in Florida have at least three options for obtaining this functionality in relation to calls placed by their end users. They can either provide their own CCS7 functionality; obtain CCS7 service from various third-party hub providers such as Illuminet, Southern New England Telephone Corp., or Telecommunications Services Inc.; or obtain CCS7 service from BellSouth.

Carriers choosing to obtain CCS7 service from BellSouth can use the service in relation to three types of calls: (1) local calls; (2) interexchange calls between locations within the state of Florida ("non-local intrastate calls"); and (3) interexchange calls between locations in the state of Florida and locations in other states ("interstate calls"). Before the CCS7 tariff became effective, BellSouth was compensated for providing CCS7 service for these types of calls in the following manner:

1. When carriers used BellSouth's CCS7 service in relation to local calls, they paid the CCS7 rates set forth in their approved local interconnection agreements with BellSouth;
2. When carriers used BellSouth's CCS7 service in relation to interstate calls, they paid the CCS7 rates set forth in BellSouth's F.C.C. Tariff No. 1; and
3. When carriers used BellSouth's CCS7 service in relation to non-local intrastate calls, *they paid nothing* because BellSouth did not have an intrastate CCS7 tariff.

With this tariff, the only thing that will change is that, instead of receiving CCS7 service in relation to intrastate calls without charge, carriers will now pay for this CCS7 service.

In other words, under the tariff:

1. When carriers use BellSouth's CCS7 service in relation to local calls, they *still* pay the CCS7 rates set forth in their approved local interconnection agreements with BellSouth;

2. When carriers use BellSouth's CCS7 service in relation to interstate calls, they *still* pay the CCS7 rates set forth in BellSouth's F.C.C. Tariff No. 1; but
3. When carriers use BellSouth's CCS7 service in relation to non-local intrastate calls, they now pay the rates set forth in the tariff that is the subject of the Petition.

II. BELLSOUTH'S VALID AND EFFECTIVE TARIFF COMPLIES WITH THE PRICE REGULATION STATUTE.

As noted above, the CCS7 rates the Petitioners pay in relation to local calls are set forth in the approved local interconnection agreements between each Petitioner and BellSouth. These rates are either the rates established in accordance with the standards set forth in sections 251(b) and (c) of the federal Telecommunications Act of 1996 ("the federal Act"), or they are the rates the parties have negotiated without regard to those standards as permitted by section 251(a)(1) of the Federal Act. Clearly, the Petitioners cannot challenge these approved rates in a Petition that addresses a tariff that has no effect on those approved rates.

Moreover, the CCS7 rates the Petitioners pay in relation to interstate calls are the rates that are set forth in BellSouth's F.C.C. Tariff No. 1. That interstate tariff has become effective despite the fact that one party raised "objections" to the federal tariff that are similar to the "objections" the Petition raises with regard to the state tariff. After reviewing the objections to its interstate tariff, BellSouth modified the tariff to clarify language in regards to the percent interstate use (PIU) factor. Subsequent to BellSouth revising the PIU language, the petitioner withdrew its opposition to the federal tariff. Clearly, the Petitioners cannot challenge the rates in an effective FCC tariff in a Petition that addresses a tariff that has no effect on those approved rates.

The only CCS7 rates that properly are subject to the "objections" set forth in the Petition, therefore, are the CCS7 rates in relation to non-local intrastate calls. The CCS7 service that is the subject of this tariff clearly is not a basic service. This tariffed service consists of signaling capabilities, not "voice-grade . . . local exchange services which provide dial tone . . ." § 364.02(2), Florida Statutes. Further, this tariffed service relates to non-local, intrastate calls. In stark contrast, basic services are provided "within a local calling area." *Id.* As a result, contrary to the Petitioners' assertion, these rates are not governed by Section 364.051(2), which is the price cap statute for basic service. Additionally, these rates are not governed by the price cap for "network access services" as set forth in Section 364.163 because this is a new service not previously tariffed. Accordingly, the tariff at issue does not violate Florida's price regulation statutes.

III. THE PETITIONERS' "OBJECTIONS" TO THE CCS7 TARIFF ARE MERITLESS.

Each of the Petitioners' "objections" to the CCS7 tariff is meritless. The objection that "BellSouth cannot measure or accurately identify which SS7 messages are interstate, intrastate, or local," for instance, is irrelevant. The tariff clearly states that it is *each carrier* -- and not BellSouth -- that determines its *own* percent local use (PLU) and percent interstate use (PIU)¹, subject to BellSouth's audit rights. *See* Tariff, §E2.3.14.A.1.b. In fact, carriers that are parties to local interconnection agreements with BellSouth are already calculating a PLU and/or PIU. If for some reason a carrier is

¹ As noted in the Executive Summary BellSouth filed with the tariff, "the terms, conditions, and rates for BellSouth CCS7 Access Arrangement in BellSouth's FCC No. 1 tariff, effective on May 15, 2001 are being mirrored." In other words, the CCS7 rates in relation to intrastate calls are identical to the CCS7 rates in relation to interstate calls.

unable to discern the PLU or PIU for its own traffic, however, the tariff provides a default PIU of 50%. *Id.* §E2.3.14.A.1.a.

Similarly, the "objection" that the tariff "requires that competing carriers develop a PIU/PLU for BellSouth's originating traffic which BellSouth would then adopt and apply to other companies" is irrelevant and wrong. As noted above, BellSouth does not "adopt" or "apply" a PIU/PLU under the tariff. Instead, each carrier develops its own PIU/PLU. In any event, BellSouth is unaware of any reason that a carrier would think that it had to develop a PIU/PLU for *BellSouth's* originating traffic under the tariff.

Moreover, as noted above, the CCS7 rates in this tariff simply do not apply to local traffic that is the subject of approved local interconnection agreements. The allegation that the tariffed "charges would apply to local traffic, and, thus, mandate access charges which would apply in lieu of interconnection agreements" misapprehends the tariff and is simply wrong. The CCS7 rates set forth in approved interconnection agreements will continue to apply in relation to local traffic.

The Petition further objects that the tariff "contains no corresponding reduction to local switching" and that "BellSouth is already recovering its costs through local switching charges and through interconnection agreements." Once again, this tariff simply does not apply to local traffic that is subject to local interconnection agreements. Instead, it applies to intrastate, interexchange traffic, and, as stated above BellSouth has not previously recovered this cost, as evidenced by the fact that the CCS7 rates are set

Thus any purported inability to distinguish between non-local intrastate and interstate traffic is irrelevant, because the same rates apply to both types of traffic.

forth in a new tariff offering. Thus, contrary to the Petitioners' assertion, BellSouth is not already "recovering its costs" for this service.

Finally, the Petition objects that the tariff will require ILECs and ALECs to "recover this 'new' per message charge for SS7" from their end users and that the tariff will "have an impact on all non-BellSouth ILECs and all ALECs resulting in all affected carriers raising their traffic sensitive rates."² If these were valid objections to the tariff, then every rate increase proposed by every regulated carrier would be denied because any rate increase "will have an impact on" all business customers who purchase the service. Thus, the possibility always exists that business customers who pay the increased rates may raise the prices of the goods and services they sell to others. This unremarkable fact that is a characteristic of a free market economy simply is not a valid basis for denying a proposed tariff.

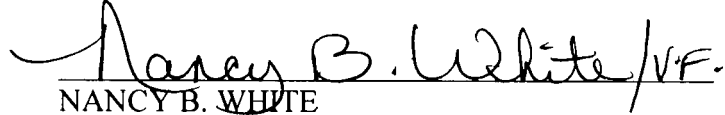
CONCLUSION

For the reasons set forth above, the Florida Public Service Commission should decline to convene a contested case to address this valid tariff, and it should dismiss the Petition.

² It is difficult to imagine what impact the tariff would have on "non-BellSouth ILECs" who provide their own CCS7 functionality rather than purchasing it from BellSouth.

Respectfully submitted this 5th day of July, 2001.

BELLSOUTH TELECOMMUNICATIONS, INC.

Handwritten signature of Nancy B. White in cursive, followed by a horizontal line and the initials "V.F." to the right.

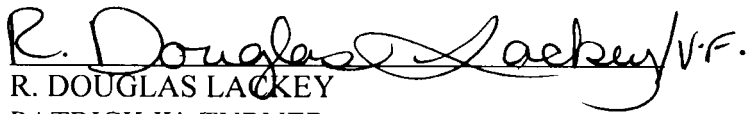
NANCY B. WHITE

JAMES MEZA III

c/o Nancy Sims

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Tallahassee, FL 32301-7798

Handwritten signature of R. Douglas Lackey in cursive, followed by a horizontal line and the initials "V.F." to the right.

R. DOUGLAS LACKEY

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