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October 18, 2001

Mrs. Blanca S. Bay6
Director, Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

**Re: Docket No. _____
Complaint Against VarTec Telecom and Clear Choice
Communications ("VarTec")**

Dear Ms. Bay6:

Enclosed is BellSouth Telecommunications, Inc.'s Complaint Against VarTec Telecom, Inc. d/b/a VarTec Telecom and Clear Choice Communications ("VarTec"), 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. _____

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

U. S. Mail this **18th** day of October, 2001 to the following:

Staff Counsel
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

VarTec Telecom, Inc.
1600 Viceroy Drive
Dallas, TX 75235-2306


James Meza III

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Complaint of BellSouth Telecommunications, Inc.)	Docket No.
Regarding the Practices of VarTec Telecom, Inc.)	
d/b/a VarTec Telecom and Clear Choice)	
Communications in the Reporting of Percent)	
Interstate Usage for Compensation)	
for Jurisdictional Access Services)	Filed: October 18, 2001

COMPLAINT

BellSouth Telecommunications, Inc. (“BellSouth”), through its undersigned counsel, hereby files this Complaint against VarTec Telecom, Inc., d/b/a VarTec Telecom and Clear Choice Communications (“VarTec”), pursuant to Florida Administrative Code Rules 25-22.036(2), 25-22.036(3)(b), and 28-106.201 and Florida Statutes Chapters 350 and 364.

In support of its Complaint, BellSouth avers the following:

1.

BellSouth provides local exchange telecommunications services in various states, including Alabama, Florida, Kentucky, North Carolina, Mississippi, South Carolina and Tennessee.

2.

VarTec is an interexchange telecommunications company that provides intrastate and interstate interLATA long-distance service to customers in various states, including Florida. VarTec’s business address, according to Commission records, is 1600 Viceroy Drive, Dallas, TX 75235-2306.

3.

Interexchange companies, such as VarTec, are dependent on the networks of local exchange companies, such as BellSouth, in order to access their customers. A typical interLATA long-distance telephone call originates on one local exchange company's network, passes through another interexchange company's facilities (one or more) and then terminates on the network of a local exchange company (which may be the same company on whose network the call originated). Using local exchange companies' facilities to complete interLATA long-distance telephone calls is referred to as "access."

4.

Local exchange companies charge interexchange companies for access services on a per-minute-of-use basis. These charges are referred to as "access charges." Interexchange companies pay access charges both to the local exchange company on whose network the call originated ("originating access charges") and to the local exchange company on whose network the call terminated ("terminating access charges").

5.

The rates that BellSouth charges VarTec for the access services described above vary according to whether, for each particular call, the access service is used to complete an intrastate long-distance telephone call or an interstate long-distance call. An intrastate call is one that originates within the same state as the called station. See § 2.3.14A.1 .a of BellSouth's Access Services Tariff. The rate for an intrastate long-distance call is set by BellSouth's tariffs on file with and approved by this Commission. The rate for an interstate long-distance call is set by BellSouth's tariffs on file with and approved by the

Federal Communications Commission (“FCC”). Historically there has been a difference between the intrastate access charges and interstate access charges.

6.

The monthly charge for interstate access services that BellSouth provides to VarTec and similar interexchange companies is determined by (1) determining the total monthly usage (in minutes) attributable to that company; (2) calculating the percentage of interstate use (“PIU”); (3) multiplying the total monthly usage by the PIU; and (4) multiplying that figure by the applicable interstate rate. The monthly charge for intrastate access services is determined by multiplying the total monthly usage by the intrastate usage (100% minus PIU), and then multiplying that figure by the applicable intrastate rate. The total monthly charge for access services is determined by adding the interstate and intrastate usage together.

7.

BellSouth can determine the total monthly usage (in minutes) attributable to a company. BellSouth can also determine the originating PIU (“OPIU”) because it is able to track which calls originate on its network. However, until recently, Bellsouth could not, through its own equipment, determine the terminating PIU (“TPIU”) for an interexchange company. Instead, the individual interexchange companies, such as VarTec, had to report their TPIU to BellSouth. This reporting requirement is set forth in Sections E2.3.14(A) and (B) of BellSouth’s Access Services Tariff, which is on file with, and has been approved by, this Commission. In calculating the amounts due and owing from VarTec and other interexchange companies for the terminating access services they

purchased, BellSouth relied on each company's integrity and the accuracy of their reports.

8.

Because the rates for interstate usage are typically lower than the rates for intrastate usage, an interexchange company can dramatically reduce its cost of doing business by overstating its PIU to BellSouth. This has the effect of overstating the percentage of calls that are subject to the lower interstate rates and understating the percentage of calls that are subject to the higher intrastate rates. In other words, if 50% of the calls that an interexchange company completes are interstate, but that company reports that 100% of its calls are interstate, the access charge that the interexchange company must pay BellSouth is drastically reduced.

9.

Recently, BellSouth installed a new computer system, the Agilent system, which permits BellSouth to determine TPIU for each interexchange company accurately.

10.

Because, (as VarTec's own PIU reports verify), TPIUs do not vary dramatically overtime, BellSouth was able to employ the TPIUs determined by the new computer system to verify the accuracy of the TPIU previously reported to BellSouth by VarTec for prior time periods.

11.

After reviewing VarTec's call-activity records for the period from 1994 to 2000, BellSouth determined that VarTec had misreported its TPIU for that period. As a result of the misreported TPIU, VarTec paid lower intrastate access charges than it should have.

12.

Based on VarTec's misreported TPIU, BellSouth underbilled VarTec \$2,150,626.00 for the period between 1994 and 2000 with respect to terminating access service provided in Florida. When applicable late-payment charges are added, the total amount that VarTec owes BellSouth for Florida is \$3,366,049.00.

13.

BellSouth transmitted the results of the TPIU review to VarTec and made formal written demand upon VarTec for payment of the amounts determined to be due and owing as a result of the review.

14.

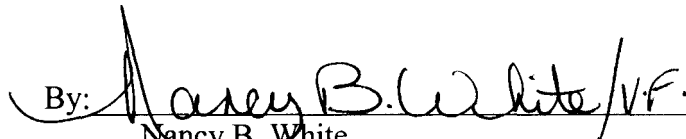
Despite amicable demand, VarTec has failed and refused to pay the charges due and owing to BellSouth.

WHEREFORE, Complainant, BellSouth Telecommunications, Inc., prays that, after due proceedings, there be judgment herein in its favor and against Respondent, VarTec as follows:

- (1) Ordering VarTec to pay to BellSouth all sums due and owing to BellSouth for access services during the period between 1994 and 2000;
- (2) Ordering VarTec to pay all applicable latepayment charges; and
- (3) For all other relief deemed appropriate under the law.

Respectfully submitted, this 18th day of October, 2001.

BELLSOUTH TELECOMMUNICATIONS, INC.

By: /V.F.

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c/o Nancy Sims

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