

ATTACHMENT B

**BellSouth Telecommunications, Inc.
FPSC Docket No. 020420-TP
Request for Confidential Classification
Page 1 of 1
6/4/02**

**REQUEST FOR CONFIDENTIAL CLASSIFICATION FOR PORTIONS OF
BELLSOUTH'S COMPLAINT REGARDING THE PRACTICES OF WORLDCOM, INC.
IN THE REPORTING OF PERCENT INTERSTATE USAGE FOR COMPENSATION
FOR JURISDICTIONAL ACCESS SERVICES FILED ON MAY 14, 2002
IN FLORIDA DOCKET NO. 020420-TP**

TWO REDACTED COPIES

DOCUMENT NUMBER-DATE

05865 JUN-4 8

FPSC-COMMISSION CI FRK

REDACTED

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Complaint of BellSouth Telecommunications, Inc.) Docket No.: _____
Regarding the Practices of WorldCom, Inc. in)
the Reporting of Percent Interstate Usage for)
Compensation for Jurisdictional Access Services) Filed: May 14, 2002
_____)

COMPLAINT

BellSouth Telecommunications, Inc. ("BellSouth"), through its undersigned counsel, hereby files this Complaint against WorldCom, Inc. ("WorldCom") 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, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee.

2.

WorldCom is an interexchange telecommunications company that provides intrastate and interstate interLATA long distance service to customers in various states, including Florida. WorldCom's business address, according to Commission records, is 6 Concourse Parkway, Suite 3200, Atlanta, Georgia. Worldcom is the successor company to MCI Telecommunications Corporation and Wiltel, Inc.

DOCUMENT NUMBER DATE

05865 JUN-4 8

FPSC-COMMISSION CLERK

3.

Interexchange companies, such as WorldCom, 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 WorldCom 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 the 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 WorldCom 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 WorldCom, had to report their TPIU to BellSouth. This reporting requirement is set forth in Section 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 WorldCom 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, a reseller can dramatically reduce its cost of doing business by overstating its PIU to BellSouth. This has the affect 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.

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

10.

Because, (as WorldCom's own PIU reports verify), TPIUs do not vary dramatically overtime, BellSouth was able to employ the TPIUs determined by

1 the new computer system to verify the accuracy of the TPIU previously
2 reported to BellSouth by WorldCom for prior time periods.

3 11.

4 After reviewing WorldCom's call-activity records for the period from 1994
5 to 2001, BellSouth determined that WorldCom had misreported its TPIU for that
6 period. As a result of the misreported TPIU, WorldCom paid lower intrastate
7 access charges than it should have.

8

9 12.

10 With respect to terminating access service provided in Florida, for the
11 period between 1994 and 2000, the total amount that WorldCom owes BellSouth
12 for Florida is [REDACTED], including applicable late payment charges.

13 13.

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

17 14.

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

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

23

24

25

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

Respectfully submitted, this 14th day of May, 2002.



NANCY B. WHITE
JAMES MEZA III
150 South Monroe Street, Suite 400
Tallahassee, Florida 32301
Telephone: (305) 347-5558
Fax: (305) 577-4491

R. DOUGLAS LACKEY
Suite 4300
675 W. Peachtree St., NE
Atlanta, GA 30375
(404) 335-0747

WAYNE T. McGAW
365 Canal Street, Room 3060
New Orleans, Louisiana 70130
Telephone: (504) 528-2058
Fax: (504) 528-2948

Attorneys for BellSouth Telecommunications,
Inc.