

RUTLEDGE, ECENIA, PURNELL & HOFFMAN
PROFESSIONAL ASSOCIATION
ATTORNEYS AND COUNSELORS AT LAW

ORIGINAL

STEPHEN A. ECENIA
KENNETH A. HOFFMAN
THOMAS W. KONRAD
MICHAEL G. MAIDA
MARTIN P. McDONNELL
J. STEPHEN MENTON

POST OFFICE BOX 551, 32302-0551
215 SOUTH MONROE STREET, SUITE 420
TALLAHASSEE, FLORIDA 32301-1841

TELEPHONE (850) 681-6788
TELECOPIER (850) 681-6515

R. DAVID PRESCOTT
HAROLD F. X. PURNELL
MARSHA E. RULE
GARY R. RUTLEDGE
GOVERNMENTAL CONSULTANTS
MARGARET A. MENDUNI
M. LANE STEPHENS

August 7, 2002

Ms. Blanca Bayo, Director
Commission Clerk and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard, Room 110
Betty Easley Conference Center
Tallahassee, FL 32399-0850

VIA HAND DELIVERY

Re: Docket No. 020129-TP

RECEIVED - FPSC
02 AUG - 7 PM 4:16
COMMISSION
CLERK

Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of US LEC of Florida Inc., Time Warner Telecom of Florida, LP and ITC^DeltaCom Communications ("Joint Petitioners") are the following documents:

1. Original and fifteen copies of the Prehearing Statement.
2. A diskette containing a copy of the Prehearing Statement.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the copy to me.

Thank you for your assistance with this filing.

Sincerely,

Marsha E. Rule, Esq.

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Enclosures

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

08301 AUG -7 8

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint Petition of US LEC of Florida)
Inc., Time Warner Telecom of Florida, LP)
and ITC^DeltaCom Communications)
objecting to and requesting)
suspension of proposed CCS7)
Access Arrangement Tariff filed by)
BellSouth Telecommunications, Inc.)
)
)
_____)

Docket No. 020129-TP

Filed: August 7, 2002

**JOINT PREHEARING STATEMENT OF
US LEC OF FLORIDA INC., TIME WARNER TELECOM OF
FLORIDA, LP AND ITC^DELTACOM COMMUNICATIONS**

Pursuant to Order No. PSC-02-0853-PCO-TP issued June 21, 2002, US LEC of Florida Inc., Time Warner Telecom of Florida, LP and ITC^DeltaCom Communications (hereinafter referred to as "Joint Petitioners") hereby file their Joint Prehearing Statement.

APPEARANCES

Kenneth A. Hoffman, Esq.
Martin P. McDonnell, Esq.
Marsha E. Rule, Esq.
Rutledge, Ecenia, Purnell & Hoffman, P.A.
P. O. Box 551
Tallahassee, FL 32302
(850) 681-6788 (Telephone)
(850) 681-6515 (Telecopier)

On behalf of US LEC, Time Warner and ITC DeltaCom

Mr. Greg Lunsford
US LEC of Florida, Inc.
6801 Morrison Boulevard
Charlotte, NC 28211-3599
(704) 319-1946 (Telephone)
(704) 602-1946 (Telecopier)

On behalf of US LEC

DOCUMENT NUMBER DATE

08301 AUG-7 02

FPSC-COMMISSION CLERK

Ms. Nanette S. Edwards
ITC^DeltaCom
4092 South Memorial Parkway
Huntsville, AL 35802-4343

On behalf of ITC DeltaCom

Ms. Carolyn Marek
Time Warner Telecom of Florida, LP
233 Bramerton Court
Franklin, TN 37069-4002

On behalf of Time Warner

Karen Camechis, Esq.
Pennington Law Firm
P. O. Box 10095
Tallahassee, FL 32302-2095

On behalf of Time Warner

A. WITNESSES	PROFFERED BY	ISSUES
<u>Direct</u>		
Wanda Montano	US LEC of Florida Inc.	7, 8, 9, 10, 11
Steve Brownworth	ITC^DeltaCom	1-3, 5-11
<u>Rebuttal</u>		
Wanda Montano	US LEC of Florida Inc.	3, 7, 8, 9
Steve Brownworth	ITC^DeltaCom	2, 7, 8
B. EXHIBITS		
WITNESS		EXHIBITS
Wanda Montano		WGM-1

C. STATEMENT OF BASIC POSITION

BellSouth's CCS7 tariff inappropriately increases access charges, is not revenue neutral, is discriminatory against ALECs and IXC's, favors ILECs and BellSouth's mobile affiliate, and inappropriately imposes charges on ALECs that they cannot economically pass on to this third party customers. Moreover, BellSouth's tariff fails to comply with §364.163, Florida Statutes. Therefore, the Commission should order BellSouth to withdraw the tariff.

D. STATEMENT OF ISSUES AND POSITIONS

Issue A: What is the Commission's jurisdiction in this matter?

Joint Petitioners: The Commission has jurisdiction in this matter under Section 364.01 and Section 364.163, Florida Statutes.

Issue 1: To what kind of traffic does BellSouth's CCS7 Access Arrangement Tariff apply?

Joint Petitioners: BellSouth's CCS7 Access Arrangement Tariff applies to intrastate access related to SS7 service. The tariff adds a per message Transacting Capability Application Part ("TCAP") charge, a per message Integrated Services Digital Network Users Part ("ISUP") charge, in addition to the normal recurring switched access charges applicable to interexchange calls.

Issue 2: Did BellSouth provide CCS7 access service to ALECs, IXC's, and other carriers prior to filing its CCS7 Tariff?

Joint Petitioners: Yes. BellSouth provided CCS7 access service to ALECs, IXC's, and other carriers prior to filing its CCS7 tariff. SS7 is an inherent function of the telephone network in Florida and the entire country. SS7 provides signaling functionality for call routing and completion as well as access to various data bases. SS7 messages are used for virtually every single telephone call. In each telephone call there are

typically at least five ISUP messages and two TCAP messages. There has never been a per message charge for SS7 by BellSouth, although BellSouth has been providing SS7 access service to its connecting carriers.

Issue 3: Is BellSouth's CCS7 Access Arrangement Tariff revenue neutral? Why or why not?

Joint Petitioners: No, BellSouth's CCS7 access arrangement tariff is not revenue neutral. In fact, BellSouth admits that its demand/cost study supporting the Florida CCS7 filing includes a good faith estimate of projected per message demand and that its estimate was wrong. Based on the amounts BellSouth has billed under this tariff, the actual demand for ISUP and TCAP messages is higher than BellSouth's good faith estimates. BellSouth's billing under the CCS7 tariff far exceed their estimated billings; clearly BellSouth's CCS7 access tariff is not revenue neutral.

Issue 4: Does BellSouth's CCS7 Access Arrangement Tariff violate Section 364.163 or any other provisions of Chapter 364, Florida Statutes?

Joint Petitioners: BellSouth's CCS7 Access Arrangement Tariff violates Section 364.163, Florida Statutes. This rate increase is in contravention of Section 364.163(2), Florida Statutes which, prohibits increasing any specific network access rate until an ILECs interstate switched access rates have reached parity with its intrastate switched access rates. The amended statute became effective January 1, 1999. Since that time, BellSouth's intrastate switched access rates have not reached parity with its interstate switched access rates. Therefore, BellSouth CCS7 Access Arrangement Tariff violates the price cap provisions of Section 364.163, Florida Statutes.

Issue 5: What does BellSouth charge subscribers under the CCS7 Access Arrangement Tariff for the types of traffic identified in Issue 1?

Joint Petitioners: Under the CCS7 Access Arrangement Tariff, BellSouth adds a per message TCAP charge of \$.000123, and ISUP charge of \$.00035, in addition to the normal recurring switched access charges applicable to interexchange calls.

Issue 6: Is more than one carrier billed for Integrated Services Digital Network User Part (ISUP), for the same segment of any given call, under the BellSouth CCS7 Access Arrangement Tariff? If so, is it appropriate?

Joint Petitioners: Yes. BellSouth inappropriately bills more than one carrier per ISUP under the CCS7 tariff. For a given call from an IXC to an ALEC, where BellSouth provides the access tandem, BellSouth will bill the IXC carrier for ISUP messages from the IXC STP to the BellSouth STP. BellSouth STP will then take the message and transfer it to the ALEC's STP and BellSouth will bill the ALEC for the associated ISUP message.

Issue 7: Under BellSouth's CCS7 Access Arrangement Traffic, is BellSouth billing ISUP and Transactional Capabilities Application Part (TCAP) messages charges for calls that originate on an ALEC's network and terminate on BellSouth's network? If so, is it appropriate?

Joint Petitioners: Yes. BellSouth's Florida Access Service Tariff states, (in BellSouth's Florida access tariff E6.1(E)2, fifth revised page 26), "ISUP usage charges are assessed per signaling messages delivered to or from the customer, regardless of direction, through its dedicated CCS7 port connection." Similarly, the tariff states (on second revised page 26.1), that "TCAP usage charges will be assessed for signaling messages delivered to the customer, regardless of direction." The tariff therefore allows BST inappropriately to impose charges for SS7 services that employ not only its own facilities, but also the facilities of interconnected carrier customers including ALECs, ICOs and IXCs.

Issue 8: What is the impact, if any, of BellSouth's CCS7 Access Arrangement Tariff on subscribers? Does such impact, if any, affect whether BellSouth's CCS7 Access Arrangement Tariff should remain in effect?

Joint Petitioners: BellSouth's tariff effectively shifts the charge for its SS7 service from its mobile services tariff, which applies to cellular mobile carriers, to carriers who purchase service from the switched access tariff. The switched access tariff is used predominately by ALECs and interexchange carriers. BellSouth's CCS7 access arrangement tariff significantly impacts ALECs and IXCs, and has several adverse consequences for Florida telephone customers. First, BellSouth has chosen to restructure, and raise, its access rates in a way that will increase the costs of its competitors - both ALECs and third party

vendors. These changes will require revisions to rates that customers pay. Either the ALECs will have to absorb the increased costs and become less competitive, or pass through the increased costs and rate increases to their end customers. In addition, BellSouth's new rate structure implemented in a way that is extremely difficult for its carrier customers to audit.

Issue 9: Does BellSouth bill ILECs for the signaling associated with the types of traffic identified in Issue 1?

Joint Petitioners: No. Joint Petitioners believe that BellSouth has not designed its tariff rate to be imposed on other ILECs because under current agreements between ILECs (e.g. BellSouth and other non-Bell incumbents), the CCS7 message charges and B-links generally are handled on a bill and keep basis. Therefore, Joint Petitioners assert, on information and belief, that BellSouth's treatment of the other ILECs operating in Florida is discriminatory because the ILECs are not charged these same rate elements.

A) If not, why not?

Joint Petitioners: Pursuant to Federal Telecommunications Act and Federal Communications Rules and Orders, BellSouth is required to maintain competitive neutrality. Therefore, there is no lawful justification for billing ALECs, but not ILECs, for the same service.

B) Has BellSouth offered ILECs a bill and keep arrangement for local and/or intrastate CCS7 messages and B-links?

Joint Petitioners: Yes, as acknowledged by BellSouth witness Greg Follensbee on page 10 of his Rebuttal Testimony.

Issue 10: Should BellSouth's CCS7 Access Arrangement Tariff remain in effect? If not, what action(s) should the Florida Public Service Commission take?

Joint Petitioners: BellSouth's CCS7 access arrangement tariff should not remain in effect. It violates Section 364.163, Florida Statutes, is not revenue neutral, and is not competitively neutral. If, BellSouth seeks to

impose new charges on carriers for SS7 service, it must do so in compliance with Florida Statutes and federal law.

Issue 11: If the tariff is to be withdrawn, what alternatives, if any, are available to BellSouth to establish a charge for non-local CCS7 access service pursuant to Florida law?

Joint Petitioners: The purpose of this docket is to review the legality of BellSouth's CCS7 tariff, not to offer BellSouth other opportunities to raise its rates.

E. STIPULATED ISSUES

None

F. PENDING MOTIONS

None

G. PENDING REQUESTS FOR CONFIDENTIALITY

ITC^DeltaCom's Request for Confidential Classification of certain information contained in the rebuttal testimony of BellSouth witness John Ruscilli.

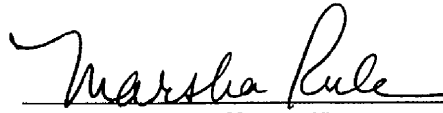
H. ANY REQUIREMENTS SET FORTH IN ORDER NO PSC-02-0853-PCO-TP THAT CANNOT BE COMPLIED WITH

None

I. ANY DECISION OR PENDING DECISION OF THE FCC OR ANY COURT THAT HAS OR MAY EITHER PREEMPT OR OTHERWISE IMPACT THE COMMISSION'S ABILITY TO RESOLVE ANY OF THE ISSUES PRESENTED FOR RELIEF IN THIS MATTER

None

RESPECTFULLY SUBMITTED this ____ day of August, 2002.

A handwritten signature in cursive script that reads "Marsha Rule". The signature is written in black ink and is positioned above a horizontal line.

Kenneth A. Hoffman, Esq.

Martin P. McDonnell, Esq.

Marsha E. Rule, Esq.

Rutledge, Ecenia, Purnell & Hoffman, P.A.

P. O. Box 551

Tallahassee, FL 32302

(850) 681-6788 (Telephone)

(850) 681-6515 (Telecopier)

Counsel for Petitioners

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished by U. S. Mail to the following this 7th day of August, 2002:

Jason Fudge, Esq.
Adam Teitzman, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard, Room 370
Tallahassee, FL 32399-0850

Karen Camechis, Esq.
Pennington Law Firm
P.O. Box 10095
Tallahassee, FL 32302-2095

Michael A. Gross, Esq.
Florida Cable Telecommunications Assoc., Inc.
246 East 6th Avenue, Suite 100
Tallahassee, FL 32303

Donna Canzano McNulty, Esq.
MCI WorldCom Communications, Inc.
325 John Knox Road
The Atrium, Suite 105
Tallahassee, FL 32303-4131

Ms. Carolyn Marek
Time Warner Telecom of Florida, L.P.
233 Bramerton Court
Franklin, TN 37069-4002

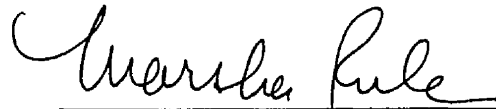
Nancy White, Esq.
James Meza, III, Esq.
c/o Ms. Nancy H. Sims
BellSouth Telecommunications, Inc.
150 South Monroe Street, Suite 400
Tallahassee, FL 32301-1556

Ms. Nanette S. Edwards
ITC^DeltaCom
4092 South Memorial Parkway
Huntsville, AL 35802-4343

Richard D. Melson, Esq.
Gary V. Perko, Esq.
Hopping Green & Sams, P.A.
P.O. Box 6526
Tallahassee, FL 32314

Brian Sulmonetti, Esq.
MCI WorldCom Communications, Inc.
Concourse Corporate Center Six
Six Concourse Parkway, Suite 3200
Atlanta, GA 30328

Mr. Greg Lunsford
US Lec of Florida, Inc.
6801 Morrison Boulevard
Charlotte, NC 28211-3599



Martin P. McDonnell, Esq.