**FLORIDA PUBLIC SERVICE COMMISSION**

 **Capital Circle Office Center 2540 Shumard Oak Boulevard**

 **Tallahassee, Florida 32399-0850**

 **M E M O R A N D U M**

 **MAY 7, 1997**

**TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)**

**FROM: DIVISION OF COMMUNICATIONS (WIDELL)**

 **DIVISION OF LEGAL SERVICES (STOVER)**

**RE: DOCKET NO. 970304-TP - REQUEST FOR APPROVAL OF RESALE AGREEMENT NEGOTIATED BETWEEN BELLSOUTH TELECOMMUNICATIONS, INC. AND STERLING INTERNATIONAL FUNDING, INC. D/B/A RECONEX, PURSUANT TO SECTIONS 251 AND 252 OF THE TELECOMMUNICATIONS ACT OF 1996.**

**AGENDA: MAY 19, 1997 - REGULAR AGENDA - PAA PARTIES MAY PARTICIPATE**

**CRITICAL DATES: COMMISSION MUST APPROVE OR DENY BY 6/9/97 PER TELECOMMUNICATIONS ACT OF 1996**

**SPECIAL INSTRUCTIONS: S:\PSC\CMU\WP\970304TP.RCM**

 **CASE BACKGROUND**

 On March 21, 1997, BellSouth Telecommunications, Inc. (BST) and Sterling International Funding, Inc. D/B/A Reconex (Reconex) filed a request for approval of a resale agreement. The agreement was executed on February 1, 1997, and the parties are seeking approval of the agreement under the Telecommunications Act of 1996.

 **DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Commission approve the resale agreement between BST and Reconex?

**RECOMMENDATION:** Yes. The Commission should approve the proposed resale agreement between BST and Reconex. The Commission should require BST and Reconex to file any subsequent supplements or modifications to their agreement for Commission review under the provisions of 47 U.S.C. 252(e).

**STAFF ANALYSIS:** As stated in the Case Background, BST and Reconex are seeking approval of their resale agreement (Attachment A) under the federal Telecommunications Act of 1996 (the Act). Both the Act and revised Chapter 364, Florida Statutes, encourage parties to enter into negotiated agreements to bring about local exchange competition as quickly as possible. If the parties reach a negotiated agreement, under 47 U.S.C. 252(e), the agreement is to be filed with the state commission for approval. 47 U.S.C. 252(a)(1) requires that "the agreement shall include a detailed schedule of itemized charges for interconnection and each service or network element included in the agreement." Under 47 U.S.C. 252(e)(4), the state commission must approve or reject the agreement within 90 days after submission, or the agreement shall be deemed approved.

 The agreement is a two-year agreement governing the relationship between the companies regarding resale of various services and Line Information Data Base (LIDB) storage. The wholesale discounts from the resale rates are 18% residence and 12% business. Staff has reviewed the BST and Reconex proposed agreement for compliance with the Act and recommends that the Commission approve it pursuant to 252(e)(2)(A).

**ISSUE 2:** Should Docket No. 970304-TP be closed?

**RECOMMENDATION:** Yes, with the adoption of staff's recommendation in Issue 1, and issuance of the Commission's order approving the agreement, Docket No. 970304-TP should be closed.