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RECORDS AND
REPORTING

October 27, 2000

Mrs. Blanca S. Bayó
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: **000084-TP (US LEC Arbitration)**

Dear Ms. Bayó:

Enclosed is an original and fifteen copies of BellSouth Telecommunications, Inc.'s Pre-Hearing Statement, 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,



E. Earl Edenfield, Jr. *(Bell)*

Enclosures

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

ADM	_____
CAI	_____
<u>CMP</u>	_____
COM	_____
CTR	_____
EOR	_____
LEG	_____
OPC	_____
PAI	_____
RGO	_____
SEC	_____
SER	_____
OTH	_____

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FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

13856 OCT 27 8

FPSC-RECORDS/REPORTING

CERTIFICATE OF SERVICE
Docket No. 000084-TP

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

U.S. Mail this 27th day of October, 2000 to the following:

Diana Caldwell
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E. EARL EDENFIELD, JR. (M)

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In re:)	
)	Docket No. 000084-TP
Petition for Arbitration of an Interconnection))
Agreement Between BellSouth Telecommunications,)	
Inc. and US LEC of Florida, Inc. Pursuant to the)	
Telecommunications Act of 1996.)	Filed: October 27, 2000
_____)	

**PRE-HEARING STATEMENT OF
BELLSOUTH TELECOMMUNICATIONS, INC.**

BellSouth Telecommunications, Inc. ("BellSouth"), in accordance with the provisions of the Order Establishing Procedure (Order No. PSC-00-1483-PCO-TP), issued August 17, 2000, submits its Pre-hearing Statement.

Witnesses

BellSouth proposes to call the following witness to offer testimony on the issues in this docket, as enumerated in Appendix A of the Order Establishing Procedure:

<u>Witness</u>	<u>Issues</u>
Cynthia K. Cox (Direct and Rebuttal)	All

BellSouth reserves the right to call additional witnesses, witnesses to respond to Commission inquiries not addressed in direct or rebuttal testimony and witnesses to address issues not presently designated that may be designated by the Pre-hearing Officer at the pre-hearing conference to be held on November 8, 2000. BellSouth has listed the witness for whom BellSouth filed testimony, but reserves the right to supplement that list if necessary.

DOCUMENT NUMBER-DATE

13856 OCT 27 8

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Exhibits

Cynthia K. Cox:	CKC-1 (Direct)	Network Diagrams
	CKC-2 (Direct)	Decision of the Maine Public Utilities Commission dated June 30, 2000
	CKC-3 (Rebuttal)	Local Tandem Coverage Maps
	CKC-4 (Rebuttal)	ISP Traffic Study Reports

BellSouth reserves the right to file exhibits to any testimony that may be filed under the circumstances identified above. BellSouth also reserves the right to introduce exhibits for cross-examination, impeachment, or any other purpose authorized by the applicable Florida Rules of Evidence and Rules of this Commission.

Statement of Basic Position

The Commission's goal in this proceeding is to resolve each issue in this arbitration consistent with the requirements of Section 251 of the Telecommunications Act of 1996 ("1996 Act"), including the regulations prescribed by the Federal Communications Commission ("FCC"), and to establish rates for interconnection services and network elements in accordance with Section 252(d) of the 1996 Act. The Commission should adopt BellSouth's positions on the issues in dispute. BellSouth's positions on these issues are reasonable and consistent with the 1996 Act, which cannot be said about the positions advocated by US LEC of Florida, Inc. ("US LEC").

BellSouth's Position on the Issues of Law and Fact

Issue 1: Should BellSouth be required to include US LEC's logo on the cover of BellSouth's White Page and Yellow Page directories?

Position: No. Neither the Telecommunications Act of 1996 (“the Act”) nor the FCC rules require BellSouth to place an Alternative Local Exchange Carrier (“ALEC’s”) logo on the cover of BellSouth’s White Page or Yellow Page directories. This issue was addressed previously by the Commission in its December 31, 1996 Joint Order in the MCI, AT&T, and ACSI arbitrations with BellSouth (Order Nos. PSC-96-1579-FOF-TP, Dockets 960833-TP, 869846-TP, and 960916-TP). In the Joint Order at page 97, the Commission concluded that, “We find that the obligation of BellSouth to provide interconnection with its network, unbundled access to network elements, or to offer telecommunications services for resale to the competitive LECs does not embrace an obligation to provide a logo appearance on its directory covers. In the absence of any express or implied language in either the Act or the rules to impose such an obligation we will not grant AT&T’s and MCI’s requests on this issue. Therefore, we find it appropriate that it be left for AT&T and MCI to negotiate with the directory publisher for an appearance on the cover of the white page and yellow page directories.”

Issue 2: Should BellSouth be required to provide US LEC's subscriber listing information (SLI) to third parties? If so, under what terms?

Position: No. BellSouth is not required under the Act or FCC rules to furnish an ALEC’s SLI to third party independent publishers, and no such requirement should be imposed. BellSouth’s only obligation with respect to directory listings under Sec. 251 of the Act is as stated in FCC Rule 51.217. Neither the Act nor the FCC Rules obligate BellSouth to furnish SLI to third parties. Thus, it is the ALEC’S responsibility to provide its customers’ SLI to independent directory publishers, not the ILEC’s responsibility. Unlike provision of listings to directory assistance providers, BellSouth is not obligated to act as a clearinghouse to provide ALECs’ listings to directory publishers.

Issue 3: **Should BellSouth be permitted to designate more than one Point of Interface in the same LATA for BellSouth originated traffic to be delivered to US LEC? If so, under what conditions?**

Position: Yes. BellSouth has the right to designate the point(s) of interconnection for BellSouth originating traffic at any technically feasible point in the local calling area. Thus, while US LEC can choose to build its own facilities to connect with BellSouth at a single technically feasible point in the LATA, US LEC cannot impose a financial burden on BellSouth to deliver BellSouth's originating traffic outside the local calling area to that single point. If US LEC wants calls completed between BellSouth's customers and US LEC's customers using this single Point of Interconnection, that is fine, provided that US LEC is financially responsible for the additional costs US LEC causes. The fact that US LEC chooses to physically interconnect with BellSouth at a single point cannot overcome the fact that the single point of interconnection cannot, by itself, constitute an interconnection with every single BellSouth local network in the LATA.

Issue 4: **What is the appropriate definition of "serving wire center" for purposes of defining transport of the parties' respective traffic?**

Position: Consistent with the definitions in FCC Tariff No. 1, Florida state access tariffs, and Newton's Telecom Dictionary, BellSouth proposes to define *serving wire center* as "the wire center owned by one Party from which the other Party would normally obtain dial tone for its Point of Presence." This is the same definition used to develop prices approved by this Commission.

The location of the serving wire center defines the rate elements that apply when dedicated transport services are used to transport and terminate traffic. Such transport services typically

consist of two sets of rate elements. The first set is a flat-rated local channel which is the charge for the facility that connects the ALEC's physical location, i.e., Point of Presence or Point of Interconnection, to the BellSouth wire center that serves that location, or the serving wire center. The second set of rate elements is distance sensitive charges that apply for facilities that are provided between BellSouth wire centers.

The rate center cannot be used as a substitute for the location of the physical serving wire center as the parties would not be able to determine what call transport and termination rates to apply. Thus, no interoffice transport could be billed under call transport and termination, regardless of whether such transport is used in the exchange.

Issue 5: Should parties be required to provide facilities for the transport of traffic from a Point of Interface (POI) to their own end users?

Position: Based on the arguments in Issue 3 above, BellSouth simply requests that the Commission find that US LEC is required to bear the cost of facilities used to connect a BellSouth local calling area to the US LEC point of interconnection located outside that local calling area.

Issue 6a: Which rates should apply for the transport and termination of local traffic: composite or elemental?

Issue 6b: If elemental rates apply, should US LEC be compensated for the tandem switching elemental rates for purposes of reciprocal compensation?

Position: The Commission should apply the elemental rates previously approved in Order No. PSC-96-1579-FOF-TP (12/31/96) for the transport and termination of local traffic. This way, BellSouth and US LEC would be compensated only for the functionality and components (*i.e.*, end office switching, interoffice transport and/or tandem switching) each actually uses to complete a call.

In order for US LEC to appropriately charge BellSouth for tandem switching on any call, US LEC must demonstrate to the Commission that: 1) its switches serve a comparable geographic

area to that served by BellSouth's tandem switches and that 2) its switches perform local tandem functions. Even after meeting the above criteria, US LEC should only be compensated for the functions that it actually provides on a call-by-call basis. US LEC is not entitled to the tandem rate because its switches in Florida do not perform a local tandem function or cover a geographic area comparable to the area served by BellSouth's tandem.

Issue 7: Should ISP-bound traffic be treated as local traffic for the purposes of reciprocal compensation, or should it be otherwise compensated?

Position: No. This issue addresses the applicability of ISP-bound traffic in the following instances: (1) the general applicability of reciprocal compensation to ISP-bound traffic; (2) the applicability when utilizing distance Phone-to-Phone Internet Protocol ("IP") Telephony; and (3) the exclusion of "false" traffic from the local traffic definition.

As to general applicability, reciprocal compensation should not apply to ISP-bound traffic. Based on the Act and the FCC's First Report and Order, reciprocal compensation obligations under Section 251(b)(5) only apply to local traffic. ISP-bound traffic constitutes exchange access service, which is clearly interstate and not local traffic. Nevertheless, without waiving its rights, BellSouth is willing to abide by the prior Commission decisions on this issue until the FCC establishes an inter-carrier compensation mechanism for ISP-bound traffic.

Regarding IP Telephony, the jurisdiction of a call is determined by the end points of a call, not the technology used to transport the call. Therefore, phone-to-phone calls using IP Telephony that originate and terminate in different local calling areas are long distance and subject to switched access today. Under no circumstance would such calls be subject to reciprocal compensation

Finally, BellSouth challenged the compensability of traffic known as "false" traffic through a complaint filed with the North Carolina Utilities Commission (NCUC) by BellSouth against US LEC in Docket No. P-561, Sub 10. Generally speaking, the traffic at issue in that proceeding was router-to-router traffic originated by Metacomm, a company affiliated with US LEC and with whom US LEC agreed to share the reciprocal compensation it received from BellSouth when it terminated that traffic. Irrespective of any actual use of the network connections originated by its routers, these connections were kept open between the BellSouth network and the US LEC network on essentially a 24 hour-a-day basis so as to generate reciprocal compensation payments from BellSouth to US LEC. The NCUC Order dated March 31, 2000, found that, "No reciprocal compensation is due for any minutes of use attributable to Metacomm or MCNC." By proposing to specifically exclude "false" traffic from the definition of local traffic, BellSouth has attempted to describe, albeit in a shorthand fashion, the type of traffic Metacomm originated--either for itself or on behalf of its own end-user customers--on BellSouth's network and for which US LEC attempted to collect reciprocal compensation from BellSouth. It remains BellSouth's position that "false" traffic is not local traffic subject to payment of reciprocal compensation.

Issue 8: **Should US LEC be allowed to establish its own local calling areas and assign its NPA/NXX for local use anywhere within such areas, consistent with applicable law, so long as it can provide information permitting BellSouth as the originating carrier to determine whether reciprocal compensation or access charges are due for any particular call?**

Position: Yes, provided that US LEC will separately identify such traffic for purposes of inter-carrier compensation, BellSouth would not object to permitting US LEC to assign numbers out of an NPA/NXX to end users located outside the local calling area with which that NPA/NXX is associated. Because of this freedom, US LEC can elect to give a telephone number to a customer who is physically located in a different local calling area than the local calling area

where that NPA/NXX is assigned. If US LEC, however, chooses to give out its telephone numbers in this manner, calls originated by BellSouth end users to those numbers are not local calls. Consequently, such calls are not local traffic under the agreement and no reciprocal compensation applies.

Issue 9: Should ISP-bound traffic be considered local traffic for the purposes of calculating Percent Local Usage (PLU)?

Position: No. ISP-bound traffic is not local traffic, and should not be considered local traffic for purposes of calculating the PLU. BellSouth reiterates its arguments made in conjunction with Issue 7 above.

Stipulations

None.

Pending Motions

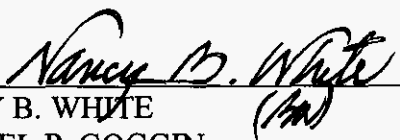
None.

Other Requirements

None.

Respectfully submitted this 27th day of October 2000.

BELLSOUTH TELECOMMUNICATIONS, INC.



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