

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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DATE: FEBRUARY 22, 2001

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

FROM: DIVISION OF COMPETITIVE SERVICES (KENNEDY) RK
DIVISION OF LEGAL SERVICES (VACCARO)
DIVISION OF REGULATORY OVERSIGHT (GILCHRIST) J. J. Blom

RE: DOCKET NO. 010030-TP - PETITION BY VERIZON FLORIDA INC.
AND VERIZON SELECT SERVICES INC. FOR LIMITED WAIVER OF
RULE 25-4.118, F.A.C.

AGENDA: 03/06/01 - REGULAR AGENDA - PROPOSED AGENCY ACTION -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: APRIL 23, 2001 - STATUTORY DEADLINE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\CMP\WP\010030.RCM

CASE BACKGROUND

- January 8, 2001 - Verizon Select Services Inc. (VSSI), an alternative local exchange company (ALEC) and an interexchange company (IXC), submitted a petition (Attachment A, pages 11-24) seeking a limited waiver of Rule 25-4.118, Florida Administrative Code, Local, Local Toll, or Toll Provider Selection. Verizon Select Services Inc. has elected to discontinue provisioning of basic local service in Florida.
- January 18, 2001 - Pursuant to Rule 25-22.039, Florida Administrative Code, BellSouth Telecommunications Inc. (BST) filed a Motion for Leave to Intervene (Attachment B, pages 25-28) in this proceeding.
- January 24, 2001 - Division of Competitive Services technical staff notified VSSI that the petition for a limited waiver of Rule 25-4.118, Florida Administrative Code, was flawed.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS REPORTING

Specifically, staff advised VSSI that Verizon Florida Inc. (VFI) should be the petitioner for the limited waiver because VFI was identified in the petition as the company to which customers' basic local service will be switched.

- January 25, 2001 - Counsel for VSSI and VFI filed a letter (Attachment C, page 29) with Records and Reporting to include VFI as a party to the petition.
- January 31, 2001 - The Commission submitted the Notice of Petition of Waiver of Rule 25-4.118, Florida Administrative Code, to the Secretary of State for publication in the Florida Administrative Weekly (FAW) on February 9, 2001.
- February 12, 2001 - BST filed comments (Attachment D, pages 30-33) to the FAW Notice of Petition of Waiver of Rule 25-4.118, Florida Administrative Code.
- February 23, 2001 - This date is the deadline for filing comments to the FAW Notice of Petition of Waiver of Rule 25-4.118, Florida Administrative Code. Staff has submitted this recommendation one day before the 14-day period for filing comments ends. Staff will modify this recommendation if more comments are received before the filing deadline.
- April 23, 2001 - The statutory deadline for the Commission's decision regarding this petition.

In this recommendation staff addresses two distinct elements of VFI's and VSSI's petition for a limited waiver of Rule 25-4.118, Florida Administrative Code. In the first issue, staff addresses the petition as it relates to customers, who are currently provided alternative local service by VSSI, in VFI's franchise area.

In the second issue, staff addresses VFI's and VSSI's request that the Commission order BST and Sprint-Florida Incorporated (Sprint) to provide basic local service to customers, who are currently provided alternative local service by VSSI, in BST's and Sprint's franchise areas.

The Commission has authority over these matters pursuant to Section 120.542, Florida Statutes.

DISCUSSION OF ISSUES

ISSUE 1: Should the Commission grant the specific portion of Verizon Florida Inc.'s and Verizon Select Services Inc.'s joint petition for a limited waiver of Rule 25-4.118, Florida Administrative Code, regarding the transfer of customers' basic local service from Verizon Select Services Inc. to Verizon Florida Inc. for those customers located within Verizon Florida Inc.'s franchise area?

RECOMMENDATION: Yes. Staff recommends that the Commission should grant the specific portion of Verizon Florida Inc.'s and Verizon Select Services Inc.'s joint petition for a limited waiver of Rule 25-4.118, Florida Administrative Code, regarding the transfer of customers' basic local service from Verizon Select Services Inc. to Verizon Florida Inc. for those customers located within Verizon Florida Inc.'s franchise area. The waiver should be limited such that Verizon Florida Inc. acquires only those customers who fail to select another local exchange company prior to Verizon Select Services Inc.'s disconnection deadline. Verizon Florida Inc. should only provide basic local service, without vertical features. The long distance service will continue to be served by Verizon Select Services Inc., but the rates will change to Verizon Select Services Inc.'s basic long distance rates. **(Kennedy/Vaccaro)**

STAFF ANALYSIS: VSSI operates in Florida as an ALEC and an IXC. VSSI provides a bundled telecommunications service called OneSource, which includes local dial tone, vertical calling features, and long distance. VSSI provides these services to customers located in local exchange company (LEC) franchise areas served by VFI, BST, and Sprint.

On January 8, 2001, VSSI filed a petition seeking a limited waiver of Rule 25-4.118, Florida Administrative Code. After reviewing VSSI's petition, staff advised VSSI that the petition was flawed. Rule 25-4.118, Florida Administrative Code, requires the acquiring company to obtain the customer's authorization, not the company forfeiting the customer. Therefore, staff advised VSSI that VFI should be the petitioner because VFI (in VFI's franchise area) was identified as the company to which VSSI's customers' basic local service will be switched. Subsequently, counsel for VSSI and VFI filed a letter with Records and Reporting to include VFI as a party to the petition.

VFI and VSSI have filed a joint petition for a limited waiver of Rule 25-4.118, Florida Administrative Code, because VSSI, an

ALEC, has elected to stop providing local exchange services to its OneSource residential customers. Although VSSI has apparently provided sufficient notice to its customers that they will need to select another local provider, VFI and VSSI are concerned that some customers will not take the initiative to do so and will ultimately lose their dial tone, leaving them without any telecommunications services. The petitioners have advised staff that there are 13,361 customers served by VSSI in VFI's franchise area. Even though VFI and VSSI cannot predict, nor can staff predict, how many VSSI customers may fail to select another local provider, staff agrees with the petitioners that some customers will fail to arrange for another provider. VFI, an incumbent local exchange carrier, is seeking approval from this Commission to initiate a provider change on behalf of, and without the explicit consent of the customer.

Rule 25-4.118, Florida Administrative Code, Local, Local Toll, or Toll Provider Selection, provides in part:

(1) The provider of a customer shall not be changed without the customer's authorization. The customer or other authorized person may change the residential service. For the purposes of this section, the term "other authorized person" shall mean a person 18 years of age or older within the same household. The person designated as the contact for the local telecommunications company, an officer of the company, or the owner of the company is the person authorized to change business service. A LEC shall accept a provider change request by telephone call or letter directly from its customers; or

(2) A LEC shall accept a change request from a certificated LP or IXC acting on behalf of the customer. A certificated LP or IXC shall submit a change request only if it has first certified to the LEC that at least one of the following actions has occurred:

- (a) The provider has a letter of agency (LOA),...
- (b) The provider has received a customer-initiated call,...
- (c) A firm that is independent and unaffiliated with the provider claiming the subscriber has verified the customer's requested change...

The primary purpose of Rule 25-4.118, Florida Administrative Code, is to ensure that a company only provides service after receiving authorization by the customer. The petitioners correctly state that the authorization methods listed in Rule 25-4.118, Florida Administrative Code, do not fit VSSI's situation as neither the customer nor a competing carrier is initiating a provider change. Staff understands and agrees with the petitioners' goals,

which are to ensure that customers do not find themselves without dial tone and that the petitioners are not perceived as violating the directive of Rule 25-4.118, Florida Administrative Code, that the customer's provider shall not be changed without his authorization.

On December 12, 2000, VSSI mailed a letter to its customers within VFI's franchise area advising them to choose a new company to provide local phone service. VSSI also stated in the letter that for those customers failing to choose another provider, VFI will provide basic local service, the vertical features will be removed, and the long distance service will default to VSSI's basic long distance rates provided in the letter. These actions will serve as a safety net for those customers who fail to choose another carrier, thus precluding a total loss of telecommunications services.

In order to be granted a waiver, VFI's and VSSI's petition must meet the requirements of Section 120.542, Florida Statutes. Under this statutory requirement, a petitioner requesting a waiver of a Commission rule must first demonstrate that the purpose of the underlying statute will otherwise be served if waiver of the rule is granted. Secondly, the petitioner must demonstrate that continued enforcement of the rule would result in substantial hardship for the petitioner or violate principles of fairness.

Staff believes that VFI's and VSSI's petition meets the requirements of Chapter 120.542, Florida Statutes. First, the petitioner has demonstrated that the pro-consumer, public interest purposes of Section 364.03, Florida Statutes, underlying Rule 25-4.118, Florida Administrative Code, will be served if the Commission grants the waiver request. By automatically switching those customers that fail to select another carrier to VFI for dial tone, the public interest will be served because those customers will not be without telecommunications services.

Secondly, the company has demonstrated that the Commission's enforcement of the requirements of Rule 25-4.118, Florida Administrative Code, would result in substantial hardship for the company. Enforcement of the requirement that a customer's local provider not be changed without the customer's authorization would potentially subject VFI to significant penalties if the affected customers filed slamming complaints and the company was shown caused based on the customer's complaints.

Given VFI's and VSSI's goal of ensuring that customers do not find themselves without telecommunications services, staff

recommends that the Commission should grant the specific portion of Verizon Florida Inc.'s and Verizon Select Services Inc.'s joint petition for a limited waiver of Rule 25-4.118, Florida Administrative Code, regarding the transfer of customers' basic local service from Verizon Select Services Inc. to Verizon Florida Inc. for those customers located within Verizon Florida Inc.'s franchise area. The waiver should be limited such that Verizon Florida Inc. acquires only those customers who fail to select another local exchange company prior to Verizon Select Services Inc.'s disconnection deadline. Verizon Florida Inc. should only provide basic local service, without vertical features. The long distance service will continue to be served by Verizon Select Services Inc., but the rates will change to Verizon Select Services Inc.'s basic long distance rates.

ISSUE 2: Should the Commission order BellSouth Telecommunications, Inc. and Sprint-Florida Incorporated to serve Verizon Select Services Inc.'s customers that fail to select another local exchange provider before Verizon Select Services Inc. exits the local service provider industry for out-of-franchise customers?

RECOMMENDATION: No. (Kennedy/Vaccaro)

STAFF ANALYSIS: As part of their petition, VSSI and VFI request the Commission to direct BST and Sprint to provide local service to VSSI's customers, outside VFI's franchise area, subject to each carrier's credit policies. On February 12, 2001, BST filed comments in response to the FAW Notice regarding Verizon's Petition for Limited Waiver of Rule 25-4.118, Florida Administrative Code. BST objects to the petitioners request that the Commission order BST to provide local exchange service to those VSSI customers, in BST's franchise area, that fail to select another carrier.

The following is a summary of BST's concerns:

1. By directing BST to be the default carrier every time an ALEC exits the industry, BST believes this would frustrate the competitive spirit and force BST to be a pseudo-parent to all ALECs. BST believes this would be contrary to the purpose of the Telecommunications Act of 1996.
2. BST believes that the responsibility for ensuring continuation of service for VSSI's customers lies with VSSI and its customers.
3. BST objects to being forced to accept all of VSSI's former customers regardless of their credit risk. Because the customers failed to select a provider, the switch of the affected customers to BST would be a sudden event, leaving BST with insufficient time, and thus no means of collecting a deposit.
4. Even though VSSI may provide BST a list of customers, BST would not have sufficient time to contact the customers and determine if they satisfy BST's credit policies. BST believes that Section 364.24, Florida Statutes, may prohibit VSSI from providing BST with the customer information.
5. BST believes it should not be obligated to utilize its efforts and resources in calling customers that failed to obtain local service on their own initiative or be required to

take customers subject to the right to terminate at a later date and with proper notice, simply because VSSI unilaterally decided to exit the industry.

BST is willing to work with VSSI and the Commission to perfect a solution to the problems associated with VSSI's unilateral decision to stop providing basic local service. BST does not object to accepting new customers who independently choose BST to be its carrier; however, BST does not want to be forced to accept all customers of a soon-to-be defunct ALEC, especially those that would not normally be able to receive service. BST requests that the Commission deny VSSI's request for a limited waiver of Rule 25-4.118, Florida Administrative Code.

Sprint did not file any comments to the FAW Notice.

VSSI reportedly serves a total of 175 business and residential customers in BST's franchise area and 106 business and residential customers in Sprint's franchise area. The number of customers that will ultimately fail to select a carrier is unknown. Using an old axiom that 10 percent of the people never get the word, staff believes that as few as 28 customers may fail to select a new service provider. VSSI's customers have until March 6, 2001, to obtain a local service provider.

Staff is aware that each year, several ALECs enter and exit the telecommunications industry in Florida. During the first week of February 2001, for example, staff received notification from a LEC that two ALECs had not paid their bills. Normally, if the ALECs fail to pay, the LEC will terminate the ALECs' customers local service. The customers may or may not have been notified by the ALECs of a pending disconnection. Where there is sufficient time to react, staff contacts the ALEC requesting it to notify all of its customers that their local exchange service will be discontinued and that they will need to find another provider. Consumer Affairs is alerted in these cases as well, allowing customers to receive a valid explanation of the problem should they contact the Commission with a complaint about discontinuance of local service.

Staff views VSSI's departure from the market in the same light as any other ALECs departure. In this particular case, VSSI has notified the affected customers. Staff anticipates that very few customers will be adversely affected because sufficient notification has been provided. In addition, the bulk of the customers are located in VFI's franchise area and in Issue 1, staff supports VSSI's and VFI's petition, wherein VFI is voluntarily

proposing to provide the customers a safety net. Staff believes that the relief sought by VSSI and VFI under this issue goes well beyond the waiver sought by these petitioners. Further, staff believes that in a competitive market, the Commission should not order LECs to automatically serve customers each time an ALEC elects to exit the market. To the best of staff's knowledge, no significant customer impacts have occurred whenever an ALEC has ceased operations. The affected customers find services elsewhere and select the provider of their own choosing.

On the other hand, staff would support a request by BST and Sprint to allow them to serve the affected customers if they had joined the petition. However, BST has strongly objected to VSSI's and VFI's request that BST be ordered by the Commission to serve the affected customers and, thus far, Sprint has remained silent on the matter. Staff believes the Commission should deny the petitioners' request that the Commission order BST and Sprint to serve those customers that procrastinate and fail to select a local service provider. By not ordering BST and Sprint to serve the affected customers, the Commission is not alleviating these companies from their carrier of last resort obligations under Chapter 364, Florida Statutes, if the customers contact BST and Sprint for service.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes. The Order issued from this recommendation will become final upon issuance of a consummating order, unless a person whose substantial interests are affected by the Commission's decision files a protest within 21 days of the issuance of the proposed agency action order. The docket should then be closed.
(Vaccaro)

STAFF ANALYSIS: Whether staff's recommendations on Issues 1 and 2 are approved or modified by the Commission, the result will be a proposed agency action order. If no timely protest to the proposed agency action is filed within 21 days of the date of issuance of the Order, this docket should be closed upon issuance of a Consummating Order.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by Verizon Select
Services Inc. for limited waiver of
Rule 25-4.118, F.A.C.

) Docket No. 010030-TL
) Filed: January 8, 2001
)
)

**VERIZON SELECT SERVICES INC.'S
PETITION FOR LIMITED WAIVER OF RULE 25-4.118, F.A.C**

Verizon Select Services Inc. (VSSI) asks the Commission to grant it a limited waiver of Rule 25-4.118, Florida Administrative Code, to assure the least amount of disruption to customers upon VSSI's discontinuation of local exchange services. VSSI further asks for expedited treatment of this waiver request.

VSSI is certificated in Florida as a competitive local exchange carrier (CLEC) (certificate number 4819; company code TX071) and an interexchange carrier (IXC) (certificate number 4080, company code TI355). VSSI provides a bundled telecommunications service called OneSource, which includes local dial-tone, vertical calling features, and long distance on one bill for one rate.

VSSI has decided that it will no longer provide local, residential services, such that it must discontinue its OneSource offering. In order to assure a seamless transition for customers upon elimination of OneSource, a waiver of Commission Rule 25-4.118 will be necessary as to VSSI's local exchange customers. VSSI will continue to provide long-distance services, so no waiver will be necessary as to the existing long-distance customers.¹

¹ On November 3, 2000, Verizon Long Distance (VLD) filed a request with the Commission for a waiver of its verification rules to move VSSI's consumer and small business long distance customers to VLD as a part of corporate reorganization attendant to the recent merger of Bell Atlantic and GTE. The Commission approved this waiver request by Order number PSC-00-2491, P.A.C. issued December 26, 2000. One Source customers who select a new long distance plan will receive a notice of this change of

Rule 25-4.118 states that a customer's provider of local, local toll or toll "shall not be changed without the customer's authorization." The customer may authorize a provider change by calling or writing directly to the incumbent local exchange carrier (ILEC). If another local provider or an IXC submits a change request to the ILEC, it must certify that customer authorization has occurred through either: (a) a letter of agency from the customer, requesting a provider change; (b) a customer-initiated call requesting a provider change; or (c) third party verification that the customer has requested a provider change. (Rule 25-4.118(2)(a)-(c).)

This Rule does not prescribe any means of authorizing a carrier change that is necessitated by the carrier's discontinuation of service. The authorization methods listed in the Rule do not fit VSSI's situation, as neither the customer nor a competing carrier is initiating a provider change. Nevertheless, VSSI has filed this waiver request in an abundance of caution to avoid any perception that it has violated Rule 25-4.118's directive that a customer's provider shall not be changed without his authorization.

OneSource customers will receive repeated notice of VSSI's discontinuation of the bundled offering and will be given the opportunity to select a new carrier with no service charges. The initial customer notification letters are attached. Commission Staff reviewed drafts of these letters and made certain suggestions, all of which VSSI has incorporated into the final drafts. With these modifications, VSSI understands that Staff deems the notification plan to be acceptable.

brand after they have been removed from the OneSource bundle. They will then experience the same change of brand name on their bill that other VSSI long distance customers experience. The plan and rates they have selected will not change, and this transition will be covered by the Commission's previous waiver.

Attachment 1 is the letter for customers within Verizon Florida Inc.'s franchise area. It was sent on December 12, 2000. The letter tells customers they will need to choose a new company to provide their local phone service, and they will also need to select a new long-distance calling plan, either from Verizon or from another long-distance company. Customers are further informed that they have many telecommunications companies to choose from and that they have the option to select any one they like. The letter gives customers step-by-step instructions to either continue receiving local and long-distance services from the Verizon family of companies or to discontinue service with Verizon. Customers are given a date by which they must choose their new services (February 12, 2001). The letter states, in prominent type, that if the customer takes no action by that date, his basic local service will be switched to Verizon Florida Inc.; his vertical features will be removed; and his long-distance will default to VSSI's basic long-distance rates, which are listed in the letter. Finally, VSSI printed a prominent notice on the letter's envelope telling customers their Verizon OneSource phone service is being discontinued.

The out-of-franchise customer letter (Attachments 2 and 3) is very similar to the in-franchise customer letter. The chief difference is that it designates the underlying local exchange carrier, either Sprint or BellSouth, as the suggested carrier for the customer to call. This letter tells the customers that if they fail to select a new carrier by the date listed, their service may be interrupted. It was sent to customers on December 26, 2000 and notified the customers that the service interruption date is February 26, 2001.

Within two weeks of sending the first notification letter, the customers will receive a second, similar letter urging them to select a new local carrier. After sending the notification letters, VSSI will attempt to contact all customers who have made no selection by telephone to make certain that they know OneSource will be discontinued and that they select a new local company and a new long-distance plan.

On February 12, 2001, VSSI intends to discontinue providing local exchange service to the customers who have received 30 days' notice, including the two letters discussed.² VSSI wishes to return such services to the underlying provider of the customer's services, which in each case will be the incumbent local exchange carrier. The carriers to which these customers would be returned are Sprint and BellSouth. VSSI respectfully requests that the Commission direct these carriers to provide local exchange service to these customers, subject to the carriers' credit policies. VSSI will use its best efforts not to return to these carriers customers who are not in good standing. However, VSSI has no way of knowing all of the customers it may have that may not meet the incumbent's requirements. Therefore, VSSI requests that these carriers be directed to accept all of these customers, subject to their right to terminate service after proper notice, if these customers do not meet their standards for provision of service. VSSI has notified Sprint and BellSouth of VSSI's plans for transitioning customers off its system.

² Customers who have wireless, Internet, or paging services along with their local and long-distance service will receive their first letter between December 29, 2000 and January 4, 2001 for operational reasons. These customers, after second notice, will have received 30 days' notice by March 1 to March 5, 2001. On those dates, VSSI intends to discontinue local exchange service for this final group of customers.

VSSI's waiver request meets the criteria set forth in Florida Administrative Code, Chapter 28-104, which governs the Commission's treatment of waiver requests. Specifically, it would violate principles of fairness to refuse the waiver request. As noted, while Rule 25-4.118 forbids change of a customer's carrier without his authorization, its prescriptions do not contemplate the instant situation, where the carrier itself is discontinuing service. It would be unfair to hold Verizon to requirements that plainly do not address its particular situation and with which it cannot reasonably comply.

The requested waiver would also serve the purposes of the statute underlying Rule 25-4.118, which is section 364.03 of the Florida Statutes. Section 364.03 directs the Commission to adopt rules to prevent unauthorized changing of a subscriber's telecommunications service. The statute does not require any particular methods of authorization, but states that the Commission's rules are to "allow for a subscriber's change to be considered valid if verification was performed consistent with the Commission's rules."

Again, the Commission's Rule 25-4.118 does not contemplate the situation at issue in this waiver request. The Rule was designed to address change of a subscriber's existing carrier without his knowledge. In this case, the existing company is discontinuing service so that the customer's carrier must necessarily change. Nevertheless, insofar as the general purpose of the underlying statute is to ensure the customer knows about changes in his service, then VSSI's notification plan fully meets this objective. Customers will be informed through letters and follow-up phone calls that they must choose a new local carrier. For those customers that do not choose to

respond affirmatively to VSSI's carrier change instructions, then the default carriers will step in to provide service. VSSI's plan will thus avoid disruption of any customer's local dial-tone service.

VSSI believes its notification plan is more thorough than the Commission has required in the past for a waiver of Rule 25-4.118. For instance, the Commission recently granted PNG Telecommunications Inc. a waiver of the Rule to allow it to acquire Broadwing Communications Services' long-distance customers after PNG's acquisition by Broadwing. (Petition of PNG Telecomm., Inc. for limited waiver of Rule 25-4.118, F.A.C., Order No. PSC-00-1520-PAA-TI, Aug. 22, 2000.) Unlike VSSI's customer notification letters, PNG's letters did not offer the customer any opportunity to change long-distance providers upon acquisition of Broadwing. And unlike VSSI, PNG made no follow-up telephone calls to verify that customers wished to change to PNG.

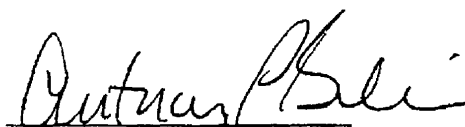
In short, VSSI's notification plan is reasonable and in the public interest. Consistent with the intent of section 364.603 of the Florida Statutes, VSSI will ensure that customers are fully informed about the changes in their service and their options upon discontinuation of the OneSource bundle. No customer will experience any interruption of local, dial-tone telephone service.

For all the reasons discussed here, VSSI urges the Commission to grant this Petition. VSSI also respectfully requests expedited treatment of the Petition. VSSI understands the Commission must grant or deny a waiver petition within 90 days after receipt of the petition, the last item of timely requested additional material, or the petitioner's written request to finish processing the petition. (Fla. Stat. sec. 120.542.) In this case, VSSI has already discussed with Staff the details of its customer notification

plan, so there should be no need for additional information requests. In any event, VSSI has committed to keeping Staff informed of the progress of its notification plan.

VSSI wishes to discontinue its OneSource service and complete the associated customer transfers for most customers by February 12 (for in-franchise customers) and 26 (for out-of-franchise customers), 2001, respectively, which are about 45 to 60 days away. Verizon will rapidly implement its customer notification plan, which, as noted, includes information to the customers about a specific disconnection date. However, VSSI cannot execute plans to actually discontinue its OneSource service until it knows whether the Commission has granted the requested waiver. As such, VSSI asks the Commission to act on this waiver request as soon as possible, and not later than February 12, 2001 at most.

Respectfully submitted on January 8, 2001.

By: 
Kimberly Caswell
P. O. Box 110, FLTC0007
Tampa, FL 33601
Telephone: (813) 483-2617

Attorney for Verizon Select Services Inc.

Bundle - IF - FL

Attachment 1
Page 1 of 2

Chris Owens
President - Verizon Select Services Inc.

Verizon Select Services
Inc.
PO Box 31236
Tampa, FL 33631-3236

Sample A. Sample
100 Main St.
Anytown, USA 00000

Verizon OneSource package will no longer be provided in your area. Please make arrangements to change to a new phone service by <<TERMINATION DATE>>.

Dear Sample A. Sample:

We're contacting current customers to make them aware that as of <<TERMINATION DATE>>, Verizon Select Services will no longer be providing your Verizon OneSource *bundled* phone package. This package, which you may have purchased as GTE Unlimited, has allowed you to receive local, long distance and calling features on one bill for one rate. Our decision to discontinue this bundled service offering has no impact on services of other Verizon companies operating in your area.

Because Verizon OneSource will no longer be available, you'll need to choose a new company to provide your local phone service, including calling features like Caller ID or Call Waiting. You'll also need to select a new long distance calling plan, either from Verizon or from another long distance company. *Please note: your local telephone number will not change.*

There are many telecommunications providers in your area to choose from and you have the option to select any one you like. But please be aware that even though we no longer will offer our Verizon OneSource bundled package, you still can continue your relationship with the Verizon family of companies. You can still package various Verizon local plans with great Verizon Select Services long distance rates by contacting the Verizon telephone company servicing your area.

If you would like to continue receiving your local and long distance services from the Verizon family, follow these simple steps:

To receive all services with Verizon:

1. Call toll-free 1-866-896-1600 and let them know you are canceling your Verizon OneSource bundle.
2. Select your call management features or packages.
3. Select long distance service with Verizon.

If you would like to choose another telecommunications company to provide your phone service, follow these simple steps:

Bundle - IF - FL

Attachment 1
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To discontinue phone service with Verizon:

1. Select a local and long distance phone company of your choice.
2. Contact the local company and switch your local and long distance service from Verizon OneSource.
3. Contact the long distance company and select a calling plan that fits your needs.

In all instances, your new service order will automatically be sent to us and we will cancel your Verizon OneSource bundled service. Verizon Select Services will credit your account on your next bill to cover any tariffed service charges incurred as a result of changing your local service, if applicable. Your initial deposit, if any, will be applied to your final bill and any credits will be refunded by check.

YOU MUST CHOOSE YOUR NEW SERVICES BY <<TERMINATION DATE>> TO ENSURE THERE ARE NO SERVICE INTERRUPTIONS. IF YOU DO NOT TAKE ACTION AND SELECT A NEW PHONE COMPANY BY <<TERMINATION DATE>>, WE HAVE MADE ARRANGEMENTS TO AUTOMATICALLY SWITCH YOUR BASIC LOCAL SERVICE TO THE VERIZON TELEPHONE COMPANY SERVICING YOUR AREA. YOUR CALLING FEATURES, LIKE CALLER ID OR CALL WAITING, WILL BE REMOVED FROM YOUR SERVICE, AND YOUR LONG DISTANCE WILL DEFAULT TO VERIZON BASIC LONG DISTANCE RATES. THAT CAN RANGE ANYWHERE FROM 11¢ TO 24¢ PER MINUTE. IF YOU CALL US, YOU WILL BE ABLE TO CHOOSE LOWER RATE PLANS THAT COULD START AS LOW AS 5¢ PER MINUTE. THEREFORE, IT'S IMPORTANT THAT YOU TAKE ACTION IMMEDIATELY.

If you have any questions about the decision to discontinue your Verizon OneSource bundle, call us at 1-888-324-7908. However, you still will need to call toll-free 1-866-896-1600 to select new service.

We're sorry for any inconvenience this change may cause you. You're an important customer to Verizon and we appreciate your time and patience. We hope that you will allow the Verizon family to continue to serve you.

Sincerely,

Chris Owens
President – Verizon Select Services Inc.

Establishment of new phone service contingent upon the credit policies and procedures of the local phone company selected.

Bundle - OOF - FL - Bell South #1
Chris Owens
President - Verizon Select Services Inc.

Attachment 2
Page 1 of 2
Verizon Select Services Inc.
PO Box 31236
Tampa, FL 33631-3236

Sample A. Sample
100 Main St.
Anytown, USA 00000

The Verizon OneSource package will no longer be provided in your area. Please make arrangements to change to a new service by <<TERMINATION DATE>>.

Dear Sample A. Sample:

We're contacting current customers to make them aware that as of <<TERMINATION DATE>>, Verizon Select Services will no longer be providing your Verizon OneSource *bundled* phone package. This package, which you may have purchased as GTE Unlimited, has allowed you to receive local, long distance and calling features on one bill for one rate. Our decision to discontinue this bundled package offering has no impact on services of other Verizon companies operating in your area.

Because Verizon OneSource will no longer be available, you'll need to choose a new company to provide your local phone service, including calling features like Caller ID or Call Waiting. You'll also need to select a new long distance calling plan, either from Verizon or another long distance company. *Please note: your local telephone number will not change.*

There are many telecommunications providers in your area to choose from and you have the option to select any one you like. One option is to call BellSouth at 1-800-753-2909 to sign up for local service. In case you incur some tariffed switching charges as a result of having to change local services, Verizon Select Services will credit your account on your next bill to cover them, if applicable. Your initial deposit, if any, will be applied to your final bill and any credits will be refunded by check.

Please be aware that though we will no longer offer our Verizon OneSource bundled phone package in your area, you still can receive long distance service from Verizon. Choose from one of our many Verizon long distance calling plans available in your area by calling 1-800-483-3737.

YOU MUST CHOOSE YOUR NEW SERVICES BY <<TERMINATION DATE>> TO ENSURE THERE ARE NO SERVICE INTERRUPTIONS. IF YOU DO NOT CHOOSE A NEW LOCAL PROVIDER, YOU MAY LOSE YOUR PHONE SERVICE. TO AVOID THE LOSS OF PHONE SERVICE, WE ARE ATTEMPTING TO ARRANGE AN AUTOMATIC TRANSFER OF YOUR BASIC PHONE SERVICE TO ANOTHER LOCAL PHONE SERVICE PROVIDER IN YOUR AREA, BUT CANNOT GUARANTEE IT. EVEN IF WE ARE SUCCESSFUL IN ARRANGING A TRANSFER OF YOUR BASIC PHONE SERVICE, YOU WILL LOSE YOUR CALLING FEATURES, LIKE CALLER ID OR CALL WAITING, AND YOUR LONG DISTANCE WILL DEFAULT TO VERIZON BASIC LONG DISTANCE RATES THAT CAN RANGE ANYWHERE FROM 11¢ TO 24¢ PER MINUTE. IF YOU CALL US, YOU WILL BE ABLE TO CHOOSE LOWER RATE PLANS THAT COULD START AS LOW AS 5¢ PER MINUTE. THEREFORE, IT'S IMPORTANT THAT YOU TAKE ACTION IMMEDIATELY.

We're sorry for any inconvenience this change may cause you. You're an important customer to Verizon and we appreciate your time and patience.

If you have any questions about the decision to discontinue your Verizon OneSource bundle, call us at 1-888-324-7908. However, you will still need to call BellSouth at 1-800-753-2909, or a local carrier of your choice, to select new service or Verizon at 1-800-483-3737 to select long distance service.

Bundle - OOF - FL - Bell South #1

Attachment 2
Page 2 of 2

We hope that you will allow the Verizon family to continue to serve you.

Sincerely,

Chris Owens
President - Verizon Select Services

Establishment of new phone service contingent upon the credit policies and procedures of the local phone company selected.

Bundle - OOF - FL - Sprint #1

Chris Owens
President - Verizon Select Services Inc.

Attachment 3
Page 1 of 2

Verizon Select Services Inc.
PO Box 31236
Tampa, FL 33631-3236

Sample A. Sample
100 Main St.
Anytown, USA 00000

The Verizon OneSource package will no longer be provided in your area. Please make arrangements to change to a new service by <<TERMINATION DATE>>.

Dear Sample A. Sample:

We're contacting current customers to make them aware that as of <<TERMINATION DATE>>, Verizon Select Services will no longer be providing your Verizon OneSource *bundled* phone package. This package, which you may have purchased as GTE Unlimited, has allowed you to receive local, long distance and calling features on one bill for one rate. Our decision to discontinue this bundled package offering has no impact on services of other Verizon companies operating in your area.

Because Verizon OneSource will no longer be available, you'll need to choose a new company to provide your local phone service, including calling features like Caller ID or Call Waiting. You'll also need to select a new long distance calling plan, either from Verizon or another long distance company. ***Please note: your local telephone number will not change.***

There are many telecommunications providers in your area to choose from and you have the option to select any one you like. One option is to call Sprint at 1-800-399-1811 to sign up for local service. In case you incur some tariffed switching charges as a result of having to change local services, Verizon Select Services will credit your account on your next bill to cover them, if applicable. Your initial deposit, if any, will be applied to your final bill and any credits will be refunded by check.

Please be aware that though we will no longer offer our Verizon OneSource bundled phone package in your area, you still can receive long distance service from Verizon. Choose from one of our many Verizon long distance calling plans available in your area by calling 1-800-483-3737.

YOU MUST CHOOSE YOUR NEW SERVICES BY <<TERMINATION DATE>> TO ENSURE THERE ARE NO SERVICE INTERRUPTIONS. IF YOU DO NOT CHOOSE A NEW LOCAL PROVIDER, YOU MAY LOSE YOUR PHONE SERVICE. TO AVOID THE LOSS OF PHONE SERVICE, WE ARE ATTEMPTING TO ARRANGE AN AUTOMATIC TRANSFER OF YOUR BASIC PHONE SERVICE TO ANOTHER LOCAL PHONE SERVICE PROVIDER IN YOUR AREA, BUT CANNOT GUARANTEE IT. EVEN IF WE ARE SUCCESSFUL IN ARRANGING A TRANSFER OF YOUR BASIC PHONE SERVICE, YOU WILL LOSE YOUR CALLING FEATURES, LIKE CALLER ID OR CALL WAITING, AND YOUR LONG DISTANCE WILL DEFAULT TO VERIZON BASIC LONG DISTANCE RATES THAT CAN RANGE ANYWHERE FROM 11¢ TO 24¢ PER MINUTE. IF YOU CALL US, YOU WILL BE ABLE TO CHOOSE LOWER RATE PLANS THAT COULD START AS LOW AS 5¢ PER MINUTE. THEREFORE, IT'S IMPORTANT THAT YOU TAKE ACTION IMMEDIATELY.

We're sorry for any inconvenience this change may cause you. You're an important customer to Verizon and we appreciate your time and patience.

If you have any questions about the decision to discontinue your Verizon OneSource bundle, call us at 1-888-324-7908. However, you will still need to call Sprint at 1-800-399-1811, or a local carrier of your choice, to select new service or Verizon at 1-800-483-3737 to select long distance service.

Bundle - OOF - FL - Sprint #1

Attachment 3
Page 2 of 2

We hope that you will allow the Verizon family to continue to serve you.

Sincerely,

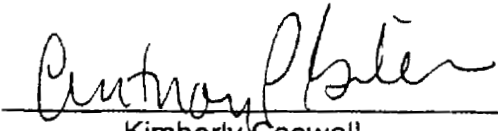
Chris Owens
President - Verizon Select Services

Establishment of new phone service contingent upon the credit policies and procedures of the local phone company selected.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of Verizon Select Services Inc.'s Petition for Limited Waiver of Rule 25-4.118, F.A.C. was sent via overnight delivery on January 5, 2001 to:

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



for Kimberly Caswell

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

| | | |
|-------------------------------------|---|-------------------------|
| In re: Petition by Verizon Select |) | Docket No. 010030-TX |
| Services Inc. for Limited Waiver of |) | |
| Rule 25-4.118, F.A.C. |) | Filed: January 18, 2001 |
| _____ |) | |

BELLSOUTH'S MOTION FOR LEAVE TO INTERVENE

BellSouth Telecommunications, Inc. ("BellSouth"), pursuant to Rule 25-22.039, Florida Administrative Code, hereby requests leave to intervene in this proceeding, and as grounds therefore states:

1. BellSouth is a telephone company lawfully doing business in the State of Florida whose regulated operations are subject to the jurisdiction of this Commission pursuant to Chapter 364, Florida Statutes.

2. BellSouth's principal place of business in Florida is 150 W. Flagler Street, Suite 1910, Miami, Florida 33130. Pleadings and process in this matter may be served upon:

Nancy B. White
James Meza III
c/o Nancy H. Sims
150 So. Monroe Street, Suite 400
Tallahassee, Florida 32301

3. In Verizon Select Services Inc.'s ("VSSI") Petition for Limited Waiver of Rule 25-4.118 of the Florida Administrative Code, VSSI requests, among other things, that this Commission order BellSouth and Sprint to accept all VSSI's former customers that fail to select another local service once VSSI exits the local service provider industry on or about February 26, 2001 for out-of-franchise customers.

4. Any decision made by the Commission in this proceeding will necessarily affect the substantial interests of BellSouth and its business operations in the State of Florida. As a result, BellSouth moves to intervene in this matter to express the following concerns about VSSI's proposed order:

a. First, the natural result of competition is that some businesses will fail or decide to exit the industry. Directing BellSouth to be the default carrier every time an ALEC exits the industry frustrates the competitive spirit and forces BellSouth to be a pseudo-parent to all ALECS, which is contrary to the purposes of the Telecommunications Act of 1996. As with any other business, when an ALEC exits the industry, the responsibility for ensuring continuation of service should lie with the ALEC and its customers, not BellSouth.

b. Second, BellSouth could be forced to accept all of VSSI's former customers, regardless of their credit risk. Although VSSI requests that BellSouth be directed to take VSSI's customers subject to BellSouth's credit policies, VSSI admits that it does not know which of its customers fail to meet BellSouth's credit policies. Further, such an order is almost impossible to implement because the customers defaulting to BellSouth are those that failed to respond to several letters sent by VSSI informing them to select a new service provider. Consequently, BellSouth has no means of collecting a deposit from these customers or to obtain their

approval for a credit check to determine if said customers satisfy BellSouth's credit policies. Indeed, VSSI recognizes the problems associated with this order because it requests that BellSouth be directed to take all customers, subject to the right of termination after initiating service.

BellSouth understands that VSSI has agreed to provide BellSouth with a spreadsheet containing information relating to its customers, which purportedly will allow BellSouth to contact these customers and determine if they satisfy BellSouth's credit policies. However, due to VSSI's request to exit the industry by February 2001 and for expedited consideration of its waiver request, it is unlikely that BellSouth could accomplish this task by the proposed exit date. Further, section 364.24, Florida Statutes, may prohibit VSSI from providing BellSouth with the above-mentioned customer information. This statute prohibits telecommunications companies from intentionally disclosing customer account records, subject to certain exceptions. In any event, BellSouth should not be obligated to utilize its efforts and resources in calling these silent customers or to take customers subject to the right to terminate at a later date and with proper notice, simply because VSSI unilaterally decided to exit the industry.

5. While the proposed waiver and order is not satisfactory, BellSouth is willing to work with VSSI and the Commission to perfect a solution to the

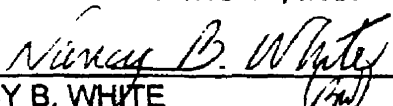
problems associated with VSSI's unilateral decision to stop providing basic local service. BellSouth does not object to accepting new customers who independently chose BellSouth to be its carrier, but BellSouth does not want to be forced to accept all customers of a soon-to-be defunct ALEC, especially those that would not normally be able to receive service.

6. BellSouth understands that, pursuant to § 120.542 (6) of the Florida Statutes, it has the right to file comments to the proposed waiver requested by VSSI. However, in an abundance of caution and in light of VSSI's request for expedited treatment of its request for a waiver and a response to its waiver request prior to February 12, 2001, BellSouth files the instant Motion for Leave to Intervene.

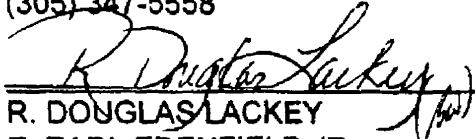
WHEREFORE, BellSouth respectfully requests that the Commission grant BellSouth leave to intervene for all legal purposes in this docket.

Respectfully submitted this 18th day of January, 2001.

BELLSOUTH TELECOMMUNICATIONS, INC.



NANCY B. WHITE
JAMES MEZA III
c/o Nancy H. Sims
150 So. Monroe Street, Suite 400
Tallahassee, FL 32301
(305) 347-5558



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

243200

Kimberly Caswell
Vice President and General Counsel, Southeast
Legal Department



FLTC0007
201 North Franklin Street (33602)
Post Office Box 110
Tampa, Florida 33601-0110

Phone 813 483-2606
Fax 813 204-8870
kimberly.caswell@verizon.com

January 25, 2001

Ms. Blanca S. Bayo, Director
Division of Records & Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RECEIVED-FPSC
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RECORDS AND
REPORTING

Re: Docket No. 010030-TL
Petition by Verizon Select Services Inc. for limited waiver of Rule 25-4.118,
F.A.C.

Dear Ms. Bayo:

The purpose of this letter is to clarify that the above-referenced waiver Petition, dated January 8, 2001, was submitted on behalf of both Verizon Select Services Inc. and Verizon Florida Inc. The Companies understand that a joint filing is necessary to obtain the requested waiver of Rule 25-4.118. I have discussed this matter with the Commission Staff, and I understand this clarification will be treated as an amendment to the Petition.

Please contact me at 813-483-2617 if you have any questions.


Sincerely,


Kimberly Caswell

KC:tas

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the Telecommunications Act of 1996. As with any other business when an ALEC exits the industry, the responsibility for ensuring continuation of service should lie with the ALEC and its customers, not BellSouth.

b. Second, BellSouth could be forced to accept all of Verizon's former customers, regardless of their credit risk. Although Verizon requests that BellSouth be directed to take Verizon's customers subject to BellSouth's credit policies, Verizon admits that it does not know which of its customers fail to meet BellSouth's credit policies. Further, such an order is almost impossible to implement because the customers defaulting to BellSouth are those that failed to respond to several letters sent by Verizon informing them to select a new service provider. Consequently, BellSouth has no means of collecting a deposit from these customers or to obtain their approval for a credit check to determine if said customers satisfy BellSouth's credit policies. Indeed, Verizon recognizes the problems associated with this order because it requests that BellSouth be directed to take all customers, subject to the right of termination after initiating service.

BellSouth understands that Verizon has agreed to provide BellSouth with a spreadsheet containing information relating to its customers, which purportedly will allow BellSouth to contact these customers and determine if they satisfy BellSouth's credit policies.

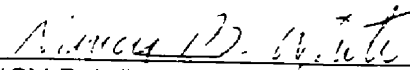
However, due to Verizon's request to exit the industry by February 2001 and for expedited consideration of its waiver request, it is unlikely that BellSouth could accomplish this task by the proposed exit date. Further, section 364.24, Florida Statutes, may prohibit Verizon from providing BellSouth with the above-mentioned customer information. This statute prohibits telecommunications companies from intentionally disclosing customer account records, subject to certain exceptions. In any event, BellSouth should not be obligated to utilize its efforts and resources in calling these silent customers or to take customers subject to the right to terminate at a later date and with proper notice, simply because Verizon unilaterally decided to exit the industry.

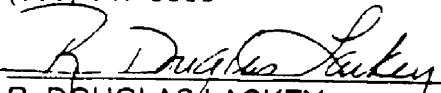
3. While the proposed waiver and order is not satisfactory, BellSouth is willing to work with Verizon and the Commission to perfect a solution to the problems associated with Verizon's unilateral decision to stop providing basic local service. BellSouth does not object to accepting new customers who independently chose BellSouth to be its carrier, but BellSouth does not want to be forced to accept all customers of a soon-to-be defunct ALEC, especially those that would not normally be able to receive service.

4. For these reasons, BellSouth requests that this Commission deny Verizon's request for a limited waiver of Rule 25-4.118 of the Florida Administrative Code.

Respectfully submitted this 12th day of February, 2001

BELLSOUTH TELECOMMUNICATIONS, INC


NANCY B. WHITE
JAMES MEZA III
c/o Nancy H. Sims
150 So. Monroe Street, Suite 400
Tallahassee, FL 32301
(305) 347-5558


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

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