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July 18, 1997

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

Re: Dockets 970281-TL, 970172-TL, 970173-TL

Dear Ms. Bayó:

Enclosed for filing in the above docket(s) on behalf of MCI Telecommunications Corporation are the original and 15 copies of MCI's prehearing statement, together with a WordPerfect 5.1 disk.

By copy of this letter this document has been provided to the parties on the attached service list.

Very truly yours,

Richard D. Melson

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FLORIDA PUBLIC SERVICE COMMISSION

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Establishment of intrastate implementation requirements governing federally mandated deregulation of local exchange company payphones )

Docket No. 970281-TL )

In re: Petition by MCI Telecommunications Corporation for an order requiring BellSouth Telecommunications, Inc. to remove its deregulated payphone investment and associated expenses from its intrastate operations and reduce the Carrier Common Line Rate Element of its intrastate switched access charges )

Docket No. 970172-TP )

In re: Petition by MCI Telecommunications Corporation for an order requiring GTE Florida, Incorporated to remove its deregulated payphone investment and associated expenses from its intrastate operations and reduce the Carrier Common Line Rate Element of its intrastate switched access charges )

Docket No. 970173-TP )

MCI'S PREHEARING STATEMENT

MCI Telecommunications Corporation (MCI) hereby files its prehearing statement in accordance with the requirements of Order No. PSC-97-0721-PCO-TP.

A. Known Witnesses. MCI has prefiled the testimony of the following witness:

<u>Witness</u>	<u>Testimony</u>	<u>Issues</u>
Melba Reid	Direct	2, 3, 4, 5

B. Known Exhibits. MCI has not prefiled any exhibits. MCI reserves the right to use exhibits for purposes of cross-examination.

C. Basic Position. The FCC's Payphone Order requires the Florida Public Service Commission to determine what intrastate rate elements must be reduced to eliminate any intrastate payphone subsidies. The Commission should direct BellSouth to remove the entire amount of its payphone subsidy from the intrastate carrier common line (CCL) charge.

D-F. Issues. MCI's position on the issues that have been identified in the Order Establishing Procedure are as follows:

Issue 1. What is the amount of intrastate payphone subsidy, if any, that needs to be eliminated by each local exchange company pursuant to Section 276(B)(1)(b) of the Telecommunications Act of 1996?

MCI: MCI takes no position on this issue pending the completion of discovery.

Issue 2. If an intrastate payphone subsidy is identified in Issue 1, do the FCC's Payphone Reclassification Orders require the Florida Public Service Commission to specify which rate element(s) should be reduced to eliminate such subsidy?

MCI: Yes.

Issue 3. If an intrastate payphone subsidy is identified in Issue 1, what is the appropriate rate element(s) to be reduced to eliminate such subsidy?

MCI: The carrier common line (CCL) charge is the appropriate rate element to be reduced to eliminate any payphone subsidies.

Issue 4: If necessary, by what date should revised intrastate tariffs that eliminate any identified intrastate payphone subsidy be filed?

MCI: Revised tariffs should be filed 30 days after the Commission's decision in this proceeding.

Issue 5: Is April 15, 1997, the appropriate effective date for revised intrastate tariffs that eliminate any identified intrastate payphone subsidy?

MCI: Yes.

Issue 6: Should these dockets be closed?

MCI: Yes, following filing and approval of the appropriate tariffs.

G. Stipulations. There are no stipulations between MCI and BellSouth at this time.

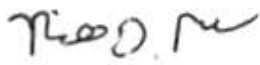
H. Pending Motions. MCI has no pending motions at this time.

I. Requirements of Order on Procedure.

MCI believes that this prehearing statement complies with all the requirements of the Order on Procedure.

RESPECTFULLY SUBMITTED this 18th day of July, 1997.

HOPPING GREEN SAMS & SMITH, P.A.

By:   
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and

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished to the following parties by U.S. Mail this 18th day of July, 1997.

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