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May 1, 1998

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Betty Easley Conference Center  
Room 110  
Tallahassee, Florida 32399-0850

**HAND DELIVERY**

Re: Consolidated Docket Nos. 971478-TP; 980184-TP; 980495-TP; and 980499-TP

Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of Teleport Communications Group Inc. and TCG South Florida ("TCG") are the following documents:

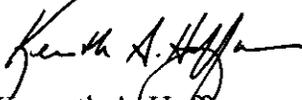
1. Original and fifteen copies of the Rebuttal Testimony of Paul Kouroupas;
2. Original and fifteen copies of TCG's Prehearing Statement; and
3. A disk containing a copy of the Prehearing Statement in Word Perfect 6.0.

ACK \_\_\_\_\_  
 AFA \_\_\_\_\_  
 APP \_\_\_\_\_  
 CAF \_\_\_\_\_  
 CMU \_\_\_\_\_  
 CTR \_\_\_\_\_  
 EAG \_\_\_\_\_  
 LEG \_\_\_\_\_  
 LIN \_\_\_\_\_  
 OPC \_\_\_\_\_  
 RCH \_\_\_\_\_  
 SEC \_\_\_\_\_  
 WAS \_\_\_\_\_  
 OTH \_\_\_\_\_

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

Thank you for your assistance with this filing.

Sincerely,

  
Kenneth A. Hoffman

KAH/rl  
Enclosures  
cc. All Parties of Record

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE  
04938 MAY-1 98  
FPSC-RECORDS/REPORTING

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

**In re: Complaint of WorldCom Technologies, Inc., against BellSouth Telecommunications, Inc., for breach of terms of Florida Partial Interconnection Agreement under Sections 251 and 252 of the Telecommunications Act of 1996 and request for relief**

**Docket No. 971478-TP**

**In re: Complaint of Teleport Communications Group Inc./TCG South Florida for Enforcement of Section IV.C of its Interconnection Agreement with BellSouth Telecommunications, Inc. and Request for Relief.**

**Docket No. 980184-TP**

**In re: Complaint of Intermedia Communications, Inc. against BellSouth Telecommunications, Inc., for breach of terms of Florida Partial Interconnection Agreement under Sections 251 and 252 of the Telecommunications Act of 1996 and request for relief.**

**Docket No. 980495-TP**

**In re: Complaint of MCImetro Access Transmission Services, Inc., against BellSouth Telecommunications, Inc., for breach of terms of interconnection agreement under Section 252 of the Telecommunications Act of 1996 and request for relief.**

**Docket No. 980499-TP**

Filed: May 1, 1998

**PREHEARING STATEMENT OF TELEPORT COMMUNICATIONS GROUP INC./TCG SOUTH FLORIDA**

Teleport Communications Group Inc. and TCG South Florida (collectively "TCG") pursuant to Order No. PSC-98-0561-PCO-TP and Rule 25-22.038(2), Florida Administrative Code, respectfully submits the following Prehearing Statement in the above-captioned docket.

**A. Witnesses**

TCG will present the direct and rebuttal testimony of Paul Kouroupas. Mr. Kouroupas'

DOCUMENT NUMBER-DATE

04938 MAY-1 98

FPSC-RECORDS/REPORTING

direct and rebuttal testimony address Issue 2 and set forth the grounds supporting TCG's position that BellSouth is required under the BellSouth-TCG Interconnection Agreement to pay reciprocal compensation to TCG for local calls terminated by TCG to Internet Service Providers ("ISPs"). Mr. Kouroupas testifies that all such funds unlawfully withheld by BellSouth should be immediately remitted to TCG together with interest accrued on the withheld payments.

**B. Exhibits**

TCG intends to present the following exhibits included in the direct and rebuttal testimony of Mr. Kouroupas:

<u>Exhibit No.</u>	<u>Witness</u>	<u>Description</u>
PK-1 (Direct)	Paul Kouroupas	BellSouth-TCG Interconnection Agreement approved by FPSC in Docket No. 960862-TP
PK-2 (Direct)	Paul Kouroupas	August 12, 1997 letter from Ernest Bush of BellSouth to TCG

TCG reserves the right to utilize additional exhibits for purposes of cross-examination.

**C. Basic Position**

BellSouth and TCG entered into an Interconnection Agreement in July, 1996. Pursuant to the Federal Telecommunications Act of 1996, the Agreement was filed with and approved by the Florida Public Service Commission in October, 1996. Pursuant to terms of the Agreement, BellSouth and TCG paid each other reciprocal compensation for local calls terminated to ISPs.

On August 12, 1997, BellSouth reversed its position and prior conduct by forwarding a letter to TCG declaring that BellSouth would not pay reciprocal compensation for calls terminated to ISPs. BellSouth's unlawful unilateral action constitutes a breach of the BellSouth-TCG Interconnection Agreement which requires the payment of reciprocal compensation for the termination of local traffic. Calls originated by BellSouth end users and terminated by TCG to ISPs clearly fall within the definition of "local traffic" under the Agreement. Further confirmation and support that calls terminated to ISPs constitute local traffic can be found in the testimony of a BellSouth witness in a 1989 FPSC proceeding, FPSC Order No. 21815 issued September 5, 1989 and more recent decisions of other state regulatory commissions.

BellSouth misapprehends the Federal Communication Commission ("FCC") orders addressing access charge issues. In fact, a careful reading of the FCC orders supports TCG's position. For purposes of rendering a decision in this proceeding, however, the consideration of the FCC orders is unnecessary. BellSouth's failure to pay reciprocal compensation on calls terminated by TCG to ISPs constitutes a breach of the BellSouth-TCG Interconnection Agreement. The Commission should order BellSouth to immediately remit to TCG all funds unlawfully withheld by BellSouth and payable to TCG for calls originated by BellSouth customers and terminated by TCG to ISPs, together with accrued interest.

**D. Issues and Positions**

**Issue 2: Under their Interconnection Agreement, are Teleport Communications Group Inc./TCG South Florida and BellSouth required to compensate each other for transport and termination of traffic to Internet Service Providers? If so, what action, if any, should be taken?**

**TCG: Yes. Under the BellSouth-TCG Interconnection Agreement, TCG and BellSouth are required to compensate each other for transport and termination of traffic to ISPs.**

The Commission should order BellSouth to immediately remit to TCG all funds unlawfully withheld by BellSouth, with interest.

**E. Stipulations**

TCG is not a party to any stipulations at this time.

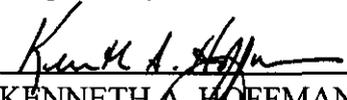
**F. Pending Motions**

TCG requests that the Commission take official recognition of Order No. PSC-96-1313-FOF-TP issued October 29, 1996 in Docket No. 960802-TP approving the BellSouth-TCG Interconnection Agreement.

**G. Other Requirements**

TCG believes that this Prehearing Statement is fully responsive to the requirements of the above-stated procedural order and Rule 25-22.038(2), Florida Administrative Code.

Respectfully submitted,

  
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Attorneys for Teleport Communications Group Inc./TCG South  
Florida

**CERTIFICATE OF SERVICE**

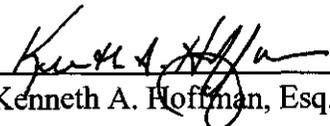
I HEREBY CERTIFY that a copy of the Prehearing Statement of Teleport Communications Group Inc./TCG South Florida was furnished by hand delivery(\*) and/or Federal Express to the following this 1<sup>st</sup> day of May, 1998:

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