

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of show cause proceedings against MCI Telecommunications Corporation for charging FCC universal service assessments on intrastate toll calls.

DOCKET NO. 980435-TI
FILED: January 29, 1999

STAFF'S PREHEARING STATEMENT

Pursuant to Order Nos. PSC-98-1010-PCO-TI and PSC-99-0113-PCO-TI, the Staff of the Florida Public Service Commission files its Prehearing Statement.

- A. All Known Witnesses: There will be no witnesses as this is a Section 120.57(2), Florida Statutes, proceeding not involving disputed issues of fact.
- B. All Known Exhibits: There are no exhibits.
- C. Staff's Statement of Basic Position:

The Commission, not the FCC, has jurisdiction over the assessment of charges on intrastate service. MCI has no basis for its assessment of the NAF and FUSF on the intrastate portion of customers' bills. All assessments on intrastate charges levied to date should be refunded to customers, with interest.

- D.-G. Staff's Position on the Issues:

ISSUE 1: Did MCI bill customers for National Access Fee (NAF) and Federal Universal Service Fund (FUSF) based on intrastate charges in Florida?

POSITION: Yes.

ISSUE 2: What authority did MCI have to collect NAF and FUSF based on intrastate charges in Florida?

ACK _____
 AFA _____
 APP _____
 CAF _____
 CMU _____
 CTR _____
 EAG _____
 LEG _____
 LIN 3 _____
 OPC _____
 RCH _____
 SEC 1 _____
 WAS _____
 OTH _____

POSITION: MCI did not have Florida Commission approval to collect the NAF and FUSF based on intrastate charges in Florida. Therefore, MCI did not have authority to assess these fees.

ISSUE 3: What authority, if any, does the Commission have over MCI's collection of NAF and FUSF based on charges for intrastate calls in Florida?

POSITION: The Florida Commission has exclusive jurisdiction over MCI's intrastate interexchange rates, charges and services. The FCC has not preempted the states in this regard.

ISSUE 4: If the Commission has authority, should it prohibit MCI from collecting NAF and FUSF based on charges for intrastate calls in Florida?

POSITION: Yes. MCI has ceased collecting these charges on intrastate calls. The company should be prohibited from doing so in the future.

ISSUE 5: If the Commission has authority, should it order MCI to refund with interest all monies collected for NAF and FUSF attributable to charges for intrastate calls in Florida?

POSITION: Yes. MCI should be ordered to refund, with interest, all monies collected for the NAF and FUSF that were based on intrastate charges in Florida.

H. Proposed Stipulations

1. MCI billed customers for National Access Fee (NAF) and Federal Universal Service Fund (FUSF) based on intrastate charges in Florida from January 1, 1998, to April 1, 1998.

2. MCI did not have Florida Commission approval for these charges.

I. Pending Motions:

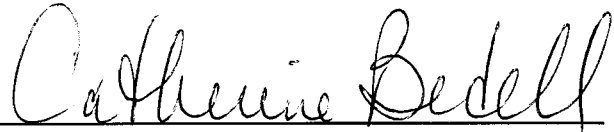
There are no pending motions.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of Staff's Prehearing Statement has been furnished by U.S. Mail, this 29th day of November, 1999, to: Richard Melson, Esquire, Hopping Law Firm, P.O. Box 8526, Tallahassee, FL 32314.

RESPECTFULLY SUBMITTED,



CATHERINE BEDELL
Staff Counsel, Division of Legal
Services

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