

Case Assignment and Scheduling Record

Section 1 - Division of Records and Reporting (RAR) Completes

Docket No. 971056-TX Date Docketed: 08/15/1997 Title: Application for certificate to provide alternative local exchange telecommunications service by BellSouth BSE, Inc.
 Company: BellSouth BSE, Inc.

Official Filing Date: _____ Expiration: _____
 Last Day to Suspend: _____

Referred to: ADM AFA APP CAF (CRJ) EAG GCL LEG RAR RRR MAM
 ("(") indicates OPR) _____ X _____ X _____ _____ X _____ _____

Section 2 - OPR Completes and returns to RAR in 10 workdays.

Time Schedule

Program/Module B1(a)

Staff Assignments

OPR Staff R Moses, B Musselwhite

Staff Counsel M Brown, C Redell

OCBs (AFA) D Draper

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WARNING: THIS SCHEDULE IS AN INTERNAL PLANNING DOCUMENT. IT IS TENTATIVE AND SUBJECT TO REVISION. FOR UPDATES CONTACT THE RECORDS SECTION: (857) 413-6770
 Current CASR revision level

3

Due Dates

Previous Current

1. Issue Identification	SAME	01/05/1998
2. Testimony - Company	SAME	01/30/1998
3. Agenda - Regular	07/21/1998	08/04/1998
4. Standard Order	08/10/1998	08/24/1998
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Recommended assignments for hearing and/or deciding this case:

Full Commission X Commission Panel _____
 Hearing Examiner _____ Staff _____

Date filed with RAR: 07/10/1998

Initials: OPR _____
 Staff Counsel _____

Section 3 - Chairmen Completes

Assignments are as follows:

- Hearing Officer(s)

Commissioners						Hrg. Exam.	Staff
ALL	JN	DS	CL	GR	JC		
X							

- Prehearing Officer

Commissioners					ADM
JN	DS	CL	GR	JC	
	X				

Where panels are assigned the senior Commissioner is Panel Chairman; the identical panel decides the case. Where one Commissioner, a Hearing Examiner or a Staff Member is assigned the full Commission decides the case.

Approved: _____

Date: 07/28/1998

[Handwritten signature]

Case Assignment and Scheduling Record

Section 1 - Division of Records and Reporting (RAR) Completes

Docket No. 971056-TX Date Docketed: 08/15/1997 Title: Application for certificate to provide alternative local exchange telecommunications service by BellSouth BSE, Inc.
 Company: BellSouth BSE, Inc.

Official Filing Date: _____ Expiration: _____
 Last Day to Suspend: _____

Referred to: ADM AFA APP CAF (CMJ) EAG GCL LEG RAR RRR WAW
 ("(")" indicates OPR) _____ X _____ X _____ _____ X _____ _____

Section 2 - OPR Completes and returns to RAR in 10 workdays.

Time Schedule

Program/Module B1(e)

Staff Assignments

OPR Staff P Isler, B Musselwhite

Staff Counsel M Brown, K Pena

OCRs (AFA) D Draper

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WARNING: THIS SCHEDULE IS AN INTERNAL PLANNING DOCUMENT. IT IS TENTATIVE AND SUBJECT TO REVISION. FOR UPDATES CONTACT THE RECORDS SECTION: (850) 413-6770
 Current CASR revision level

2

	Due Dates	
	Previous	Current
1. Issue Identification	SAME	01/05/1998
2. Testimony - Company	SAME	01/30/1998
3. Transcripts Due	SAME	05/11/1998
4. Briefs Due	SAME	06/01/1998
5. Staff Recommendation	06/25/1998	07/09/1998
6. Agenda - Regular	07/07/1998	07/21/1998
7. Standard Order	07/27/1998	08/10/1998
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Recommended assignments for hearing and/or deciding this case:
 Full Commission X Commission Panel _____
 Hearing Examiner _____ Staff _____
 Date filed with RAR: 05/07/1998
 Initials: OPR _____
 Staff Counsel _____

Section 3 - Chairman Completes

Assignments are as follows:

7/7/98 agenda cancelled.

- Hearing Officer(s)

Commissioners						Hrg. Exam.	Staff
ALL	JW	DS	CL	GR	JC		
X							

- Rehearing Officer

Commissioners					ADM
JW	DS	CL	GR	JC	
	X				

Where panels are assigned the senior Commissioner is Panel Chairman; the identical panel decides the case. Where one Commissioner, a Hearing Examiner or a Staff Member is assigned the full Commission decides the case.

Approved: [Signature]
 Date: 05/08/1998

c

Case Assignment and Scheduling Record

Section 1 - Division of Records and Reporting (RAR) Completes

Docket No. 971056-TX Date Docketed: 08/15/1997 Title: Application for certificate to provide alternative local exchange telecommunications service by BellSouth BSE, Inc.
 Company: BellSouth BSE, Inc.

Official Filing Date: _____
 Last Day to Suspend: _____ Expiration: _____

Referred to: ADM AFA APP CAF (CHJ) EAG GCL LEG RAR RRR WAW
 ("(")" indicates OPR) _____ X _____ X _____ X _____ _____

Section 2 - OPR Completes and returns to RAR in 10 workdays.

Time Schedule

Program/Module B1(a)

Staff Assignments

OPR Staff	<u>P Isler, S Simons</u>
Staff Counsel	<u>H Brown, K Pena</u>
OCRs (AFA)	<u>D Draper</u>
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WARNING: THIS SCHEDULE IS AN INTERNAL PLANNING DOCUMENT. IT IS TENTATIVE AND SUBJECT TO REVISION. FOR UPDATES CONTACT THE RECORDS SECTION: (850) 413-6770
 Current CASR revision level

1

Due Dates

Previous Current

1. Issue Identification	NONE	01/05/1998
2. Order Establishing Procedure	NONE	01/12/1998
3. Testimony - Company	NONE	01/30/1998
4. Testimony - Intervenor and Staff	NONE	02/27/1998
5. Notice of Prehearing and Hearing	NONE	03/02/1998
6. Testimony - Rebuttal - Company	NONE	03/13/1998
7. Prehearing Statements	NONE	03/27/1998
8. Prehearing	NONE	04/13/1998
9. Discovery Actions Complete	NONE	04/13/1998
10. Prehearing Order	NONE	04/22/1998
11. Hearing	NONE	04/27/1998
12. Transcripts Due	NONE	05/11/1998
13. Briefs Due	NONE	06/01/1998
14. Staff Recommendation	NONE	06/25/1998
15. Agenda - Regular	NONE	07/07/1998
16. Standard Order	NONE	07/27/1998
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Recommended assignments for hearing and/or deciding this case:

Full Commission X Commission Panel _____
 Hearing Examiner _____ Staff _____

Date filed with RAR: 11/26/1997

Initials: OPR _____
 Staff Counsel _____

Section 3 - Chairman Completes

Assignments are as follows:

- Hearing Officer(s)

Commissioners						Hrg. Exam.	Staff
ALL	JN	DS	CL	KS	GR		
X							

- Prehearing Officer

Commissioners					ADM
JN	DS	CL	KS	GR	
	X				

Where panels are assigned the senior Commissioner is Panel Chairman; the identical panel decides the case. Where one Commissioner, a Hearing Examiner or a Staff Member is assigned the full Commission decides the case.

Approved: _____
 Date: 11/26/1997

c

Case Assignment and Scheduling Record

Section 1 - Division of Records and Reporting (RAR) Completes

Docket No. 971056-TX Date Docketed: 08/15/1997 Title: Application for certificate to provide alternative local exchange telecommunication service by BellSouth BSE, Inc.
 Company: BellSouth BSE, Inc.

Official Filing Date: _____
 Last Day to Suspend: _____ Expiration: _____

Referred to: _____
 ("(") indicates OPR) _____

ADH AFA APP CAF (CMU) EAG OCL LEG RAR RRR WAW
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Section 2 - OPR Completes and returns to RAR in 10 workdays.

Time Schedule

Program/Module BI(a)

Staff Assignments

OPR Staff T Williams

Staff Counsel K Pena

OCRs (AFA) D Draper

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**WARNING: THIS SCHEDULE IS AN INTERNAL PLANNING DOCUMENT.
 IT IS TENTATIVE AND SUBJECT TO REVISION.
 FOR UPDATES CONTACT THE RECORDS SECTION: (850) 415-6770
 Current CASR revision level**

0

Due Dates

Previous Current

1. Staff Recommendation	NONE	09/25/1997
2. Agenda - Regular	NONE	10/07/1997
3. PAA Order - Automatic Closing	NONE	10/27/1997
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Recommended assignments for hearing and/or deciding this case:

Full Commission X Commission Panel _____
 Hearing Examiner _____ Staff _____

Date filed with RAR: 08/29/1997

Initials: OPR _____
 Staff Counsel _____

Section 3 - Chairman Completes

Assignments are as follows:

- Hearing Officer(s)

Commissioners						Hrg. Exam.	Staff
ALL	JH	DS	CL	KS	GR		
X							

- Prehearing Officer

Commissioners					ADM
JN	DS	CL	KS	GR	
					X

Where panels are assigned the senior Commissioner is Panel Chairman; the identical panel decides the case.
 Where one Commissioner, a Hearing Examiner or a Staff Member is assigned the full Commission decides the case.

Approved: _____
 Date: 08/29/1997

C

Case Assignment and Scheduling Record

Section 1 - Division of Records and Reporting (RAR) Completes

Docket No. 971056-TX Date Docketed: 08/15/1997 Title: Application for certificate to provide alternative local exchange telecommunications service by BellSouth BSE, Inc.
 Company: BellSouth BSE, Inc.

Official Filing Date: _____
 Last Day to Suspend: _____ Expiration: _____

Referred to: ADM AFA APP CAF (CMU) EAG GCL LEG RAR RRR WAW
 ("(") indicates OPR) _____ X _____ X _____

Section 2 - OPR Completes and returns to RAR in 10 workdays.

Time Schedule

Program/Module BI(a)

Staff Assignments

OPR Staff

Staff Counsel

OCRs ()

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Recommended assignments for hearing and/or deciding this case:

Full Commission _____ Commission Panel _____
 Hearing Examiner _____ Staff _____

Date filed with RAR: _____

Initials: OPR _____
 Staff Counsel _____

WARNING: THIS SCHEDULE IS AN INTERNAL PLANNING DOCUMENT. IT IS TENTATIVE AND SUBJECT TO REVISION. FOR UPDATES CONTACT THE RECORDS SECTION: (850) 413-6770
 Current CASR revision level

0

Due Dates

Previous Current

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Section 3 - Chairman Completes

Assignments are as follows:

- Hearing Officer(s)

Commissioners						Hrg. Exam.	Staff
ALL	JN	DS	CL	KS	GR		

- Prehearing Officer

Commissioners					ADM
JN	DS	CL	KS	GR	

Where panels are assigned the senior Commissioner is Panel Chairman; the identical panel decides the case. Where one Commissioner, a Hearing Examiner or a Staff Member is assigned the full Commission decides the case.

Approved: _____

Date: / /

FLORIDA PUBLIC SERVICE COMMISSION - RECORDS AND REPORTING

Requisition for Photocopying and Mailing

Date 4 / 1 / 98
 Number of Originals 2 Copies Per Original 17
 Requested By puth B. Mahal

Item Presented _____
 Agenda For (Date) _____ Order No. 98-0559 In Docket No. 971056 TX
 Notice of _____ For (Date) _____ In Docket No. _____
 Other _____

Special Handling Instructions

Distribution/Mailing

Number	Distributed/Mailed To	Number	Distribution/Mailed To
<u>17</u>	<u>Commission Offices</u>	<u>--</u>	_____
<u>(1)</u>	<u>Docket Mailing List - Mailed</u>	_____	_____
<u>(18)</u>	<u>Docket Mailing List - Faxed</u>	_____	_____

Note: Items must be mailed and/or returned within one working day after issue unless specified here:

Print Shop Verification

Job Number 235 Verified By Mahal
 Date and Time Completed 4/28 Job Checked For Correctness and Quality (Initial) SM

Mail Room Verification

Date Mailed / Verified By /

MEMORANDUM

April 20, 1998

RECEIVED

APR 20 1998

2:30
FPSC - Records/Reporting

TO: DIVISION OF RECORDS AND REPORTING
FROM: DIVISION OF LEGAL SERVICES (BEDELL) *CO mcb*
RE: DOCKET NO. 971056-TX - APPLICATION FOR CERTIFICATE TO
PROVIDE ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS
SERVICE BY BELLSOUTH BSE, INC.

97-0559-PLD-TX

Attached is an ORDER GRANTING INTERVENTION TO AT&T OF THE SOUTHERN STATES, INC. to be issued in the above referenced docket.
(Number of pages in order - 2)

CB/slh
Attachment
cc: Division of Communications
I: 971056a.int

See 1

*forced
mailed 12/1*

FLORIDA PUBLIC SERVICE COMMISSION - RECORDS AND REPORTING

Requisition for Photocopying and Mailing

Date 9/27/98
 Number of Originals 113 Copies Per Original 17
 Requested By [Signature]

Item Presented _____
 Agenda For (Date) _____ Order No. 88-1165 In Docket No. 671656
 Notice of _____ For (Date) _____ In Docket No. _____
 Other _____

Special Handling Instructions

Distribution/Mailing		Distribution/Mailing	
Number	Distributed/Mailed To	Number	Distribution/Mailed To
<u>17</u>	<u>Commission Offices</u>	---	_____
	<u>Docket Mailing List - Mailed</u>	_____	_____
<u>(16)</u>	<u>Docket Mailing List - Faxed</u>	_____	_____

Note: Items must be mailed and/or returned within one working day after issue unless specified here:

Print Shop Verification
 Job Number 10 Verified By [Signature]
 Date and Time Completed 9/2 Job Checked For Correctness and Quality (Initial) ☺

Mail Room Verification
 Date Mailed / Verified By /

M E M O R A N D U M

August 26, 1998

RECEIVED-FPSC

98 AUG 26 PH 3:45

RECORDS AND
REPORTING

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (BROWN; BEE LL *OB MCB*)

RE: DOCKET NO. 971056-TX - Application for certificate to provide alternative local exchange telecommunications service by BellSouth BSE, Inc.

98-1165-FOF

Attached is an ORDER RESOLVING PROTEST OF ORDER NO. PSC-97-1347-FOF-TX GRANTING BELLSOUTH BSE, INC. CERTIFICATE NO. 5261 AND DENYING MOTION TO SUPPLEMENT RECORD, to be issued in the above-referenced docket. (Number of pages in order - *127 4200*.)

CB/MCB/slh
Attachment
cc: Division of Communications (Moses)
I:971056or.cb

*boxed
8/27/98*

16/0

Case Scheduling/Rescheduling Advice

04/23/1998

To: <input checked="" type="checkbox"/> Commissioner Deason <input checked="" type="checkbox"/> Commissioner Clark <input checked="" type="checkbox"/> Commissioner Garcia <input checked="" type="checkbox"/> Commissioner Jacobs <input checked="" type="checkbox"/> Executive Director <input checked="" type="checkbox"/> Public Information Officer	<input checked="" type="checkbox"/> Deputy Ex. Director/Technical <input checked="" type="checkbox"/> Appeals Director <input checked="" type="checkbox"/> Legal Director <input checked="" type="checkbox"/> Auditing & Financial Analysis Director <input checked="" type="checkbox"/> Communications Director <input checked="" type="checkbox"/> Consumer Affairs Director	<input type="checkbox"/> Electric & Gas Director <input checked="" type="checkbox"/> Records & Reporting Director <input checked="" type="checkbox"/> Research Director <input type="checkbox"/> Water & Wastewater Director <input checked="" type="checkbox"/> Court Reporter <input checked="" type="checkbox"/> Staff Contact - M Brown
---	---	--

From: Office of Chairman Julia L. Johnson

Docket No. 971056-TX

RECEIVED

APR 23 1998

Title: Application for certificate to provide alternative local exchange telecommunications service by BellSouth BSE, Inc.

1. Schedule Information FPSC - Records/Reporting

Event	Former Date	New Date	Location	Time
Prehearing Conference		04/13/1998	Tallahassee, 148	09:30-12:00
Hearing		04/27/1998	Tallahassee, 148	13:00-18:00

Remarks: Involves docket(s) 971056 -- Time Change

2. Hearing/Prehearing Assignment Information:

Former Assignments

	Commissioners						Hrg. Exam.	Staff
	ALL	JN	DS	CL	GR	JC		
Hearing	X							

New or Changed Assignments

	Commissioners						Hrg. Exam.	Staff
	ALL	JN	DS	CL	GR	JC		

Prehearing Officer

Commissioners						
JN	DS	CL	GR	JC	ADM	
	X					

Commissioners						
JN	DS	CL	GR	JC	ADM	

Reason for Reassignment: 1. Unavailability 2. Good Cause 3. Recused 4. Disqualified

Comments: Document ID is 97105602.CCS

Case Scheduling/Rescheduling Advice

11/26/1997

To:

<input type="checkbox"/> Commissioner Deason	<input checked="" type="checkbox"/> Deputy Ex. Director/Technical	<input type="checkbox"/> Electric & Gas Director
<input checked="" type="checkbox"/> Commissioner Clark	<input checked="" type="checkbox"/> Appeals Director	<input checked="" type="checkbox"/> Records & Reporting Director
<input checked="" type="checkbox"/> Commissioner Kiesling	<input checked="" type="checkbox"/> Legal Director	<input checked="" type="checkbox"/> Research Director
<input checked="" type="checkbox"/> Commissioner Garcia	<input checked="" type="checkbox"/> Auditing & Financial Analysis Director	<input type="checkbox"/> Water & Wastewater Director
<input checked="" type="checkbox"/> Executive Director	<input checked="" type="checkbox"/> Communications Director	<input checked="" type="checkbox"/> Court Reporter
<input checked="" type="checkbox"/> Public Information Officer	<input checked="" type="checkbox"/> Consumer Affairs Director	<input checked="" type="checkbox"/> Staff Contact - M Brown

From: Office of Chairman Julia L. Johnson

Docket No. 971056-TX

RECEIVED

DEC 03 1997

Title: Application for certificate to provide alternative local exchange telecommunications service by BellSouth BSE, Inc.

1. Schedule Information

FPSC - Records/Reporting

Event	Former Date	New Date	Location	Time
Prehearing Conference		04/13/1998	Tallahassee, 148	09:30-12:00
Hearing		04/27/1998	Tallahassee, 148	09:30-18:00

Remarks: Docket(s): 971056

2. Hearing/Prehearing Assignment Information:

Former Assignments

New or Changed Assignments

Hearing

Commissioners						Hrg. Exam.	Staff
ALL	JN	DS	CL	KS	GR		

Commissioners						Hrg. Exam.	Staff
ALL	JN	DS	CL	KS	GR		
X							

Prehearing Officer

Commissioners						
JN	DS	CL	KS	GR	ADM	

Commissioners						
JN	DS	CL	KS	GR	ADM	
	X					

Remarks:

Document ID is 97105601.CCS

**Docket Index Listing for Closed Dockets
971056**

971056-TX

Docketed: August 15, 1997
Closed: August 27, 1998
Company: BellSouth BSE, Inc. (TX137)
Title: Application for certificate to provide alternative local exchange telecommunications service by BellSouth BSE, Inc.
OPRs: CMJ - Moses, Musselwhite
OCRs: AFA - Draper
Staff Counsel: LEG - Brown, Bedell
Commissioner's: Prehearing Officer - Deason
 Hearing Officers - All Commissioners

<u>DOCUMENT NO.</u>	<u>DATE</u>	<u>DOCKET NO.</u>	<u>DESCRIPTION</u>
08273-97	08/15/1997	971056-TX	BellSouth BSE, Inc. (Lightsey) - ALEC application with \$250 filing fee, Dep D593 dated 8/15/97.
09154-97	09/10/1997	971056-TX	Copy of AFA/Draper 9/3/97 memo to CMU/Williams advising application appears adequate under minimal statutory requirements.
09824-97	09/25/1997	971056-TX	RECOMM fr CMU/Isler; AFA/Draper; LEG/Pena to 10/7/97 ag - grant BellSouth BSE ALEC cert; close after PAA.
10306-97	10/08/1997	971056-TX	VOTE SHEET fr 10/7/97 ag - JN, DS, CL, KS, GR, staff recomm approved.
11052-97	10/27/1997	971056-TX	PAA Order PSC-97-1347-FOF-TX granting ALEC Cert to BellSouth BSE, Inc.; close if no protests by 11/17/97. (JDCKG)
11783-97	11/17/1997	971056-TX	Florida Competitive Carriers Association [FCCA] (McGlothlin) - Petition on proposed agency action.
11784-97	11/17/1997	971056-TX	MCI (Melson) - Protest of proposed agency action Order PSC-97-1347-FOF-WS.
11864-97	11/19/1997	971056-TX	FCCA (McGlothlin) - Amended cert of service to 11/17/97 petition on proposed agency action.
11901-97	11/19/1997	971056-TX	BellSouth Telecommunications, Inc. (White) - Petition for leave to intervene.
11961-97	11/20/1997	971056-TX	FCCA (McGlothlin) - Page 92 from transcript filed as Exhibit A to 11/17/97 PAA petition, to be included in exhibit on file.
12487-97	12/05/1997	971056-TX	BellSouth BSE, Inc. (Early) - Notice of appearance.
12488-97	12/05/1997	971056-TX	BellSouth BSE (Early) - Motion to dismiss FCCA's petition on proposed agency action.
12489-97	12/05/1997	971056-TX	BellSouth BSE (Early) - Motion to dismiss MCI and MCImetro's petition on proposed agency action.
12749-97	12/12/1997	971056-TX	FCCA (McGlothlin) - Response to BellSouth BSE's motion to dismiss.
12760-97	12/15/1997	971056-TX	Order PSC-97-1577-PCO-TX granting BellSouth Telecommunication's petition to intervene.
12931-97	12/17/1997	971056-TX	MCIT (Melson) - Response in opposition to BellSouth BSE's motion to dismiss

**Docket Index Listing for Closed Dockets
971056 (continued)**

<u>DOCUMENT NO.</u>	<u>DATE</u>	<u>DOCKET NO.</u>	<u>DESCRIPTION</u>
13315-97	12/31/1997	971056-TX	Notice of 1/7/98 staff workshop at 2:30 p.m., Room 362, Gerald L. Gunter Building, 2540 Shumard Oak Boulevard in Tallahassee.
00349-98	01/07/1998	971056-TX	Teleport Communications Group Inc. [TCG] (Hoffman) - Petition for leave to intervene.
00637-98	01/12/1998	971056-TX	Time Warner AxS of Florida, L.P. [Time Warner] (Auger) - Petition for leave to intervene.
00772-98	01/14/1998	971056-TX	Order PSC-98-0088-PCO-TX establishing procedure. (D)
00960-98	01/16/1998	971056-TX	BellSouth BSE (Early) - Motion to dismiss petition for leave to intervene filed by Teleport and TCG.
00961-98	01/16/1998	971056-TX	BellSouth BSE (Early) - Motion to dismiss petition filed by Time Warner.
01216-98	01/22/1998	971056-TX	BellSouth (White) - Withdrawal of petition for leave to intervene.
01287-98	01/23/1998	971056-TX	BellSouth BSE (Early) - Letter dated 1/23/98 advising BSE will commence operation as ALEC carrier in all areas of State of Florida except those areas in which BellSouth Telecommunications, Inc. is incumbent LEC; will not commence operation until final resolution of Docket 971056-TX.
01288-98	01/23/1998	971056-TX	BellSouth BSE (Early) - Amended motion to dismiss petition for leave to intervene filed by Teleport and TCG.
01379-98	01/26/1998	971056-TX	TCG (Hoffman) - Response in opposition to BellSouth BSE's amended motion to dismiss.
01537-98	01/28/1998	971056-TX	Time Warner (Auger) - Response to BellSouth BSE's motion to dismiss petition.
01627-98	01/30/1998	971056-TX	BellSouth BSE (Early) - Notice of filing attached direct testimony of Robert C. Scheye with exhibit 1.
02421-98	02/19/1998	971056-TX	AT&T Communications of the Southern States, Inc. (Rule) - Petition to intervene.
02737-98	02/27/1998	971056-TX	Notice of 4/27/98 hearing at 9:30 a.m., Room 148, Betty Easley Conference Center, 4075 Esplanade Way in Tallahassee and 4/13/98 prehearing conference at 9:30 a.m., Room 148, Betty Easley Conference Center in Tallahassee.
02756-98	02/27/1998	971056-TX	FCCA (McGlothlin) - Direct testimony of Joseph Gillan.
02788-98	03/02/1998	971056-TX	BellSouth BSE (Early) - Motion to dismiss AT&T's petition to intervene.
02917-98	03/05/1998	971056-TX	FCCA (McGlothlin) - Notice of service of 1st set of interrogatories, Nos. 1-6, and 1st set of requests for production of documents, Nos. 1-5 to BellSouth BSE, Inc.
02961-98	03/09/1998	971056-TX	AT&T (Rule) - Response to BellSouth BSE's motion to dismiss.

**Docket Index Listing for Closed Dockets
971056 (continued)**

<u>DOCUMENT NO.</u>	<u>DATE</u>	<u>DOCKET NO.</u>	<u>DESCRIPTION</u>
03198-98	03/13/1998	971056-TX	BellSouth BSE (Early) - Notice of filing attached rebuttal testimony of Robert C. Scheye with exhibits 1-4.
03318-98	03/18/1998	971056-TX	FAW NOTICE of 4/13/98 prehearing conference at 9:30 a.m. in Tallahassee.
03412-98	03/20/1998	971056-TX	FCCA (McGlothlin) - Notice of service of 2nd set of interrogatories, Nos. 7-22 to BellSouth BSE.
03489-98	03/24/1998	971056-TX	FPSC (LEG/Brown) - Part of service of staff's 1st request for production of documents, Nos. 1-6 to BellSouth BSE/Herron.
03490-98	03/24/1998	971056-TX	FPSC (LEG/Brown) - Part of service of staff's 1st set of interrogatories, No. 1 to BellSouth BSE/Herron.
03601-98	03/26/1998	971056-TX	RECOMM fr LEG/Brown/Bedell; CMU/Isler/Musselwhite to 4/7/98 ag - deny BSE's motions to dismiss; deny motions to dismiss petitions to intervene filed by AT&T, TCG, Time Warner; if staff's recomm approved, will proceed to hrng as scheduled; if recomm denied, no valid protest to PAA Order PSC-97-1347-FOF-TX will remain and entire docket should be made final and effective as of date of agenda conference.
03607-98	03/26/1998	971056-TX	FPSC (LEG/Brown) - Notice of 4/2/98 telephonic deposition of Robert Scheye at 10:00 a.m. in Tallahassee.
03645-98	03/27/1998	971056-TX	Teleport and TCG (Ellis) - Prehearing statement.
03651-98	03/27/1998	971056-TX	FCCA (McGlothlin)/AT&T (Rule)/MCI (McGlothlin) - Joint prehearing statement.
03652-98	03/27/1998	971056-TX	FPSC (LEG/Brown) - Staff's prehearing statement.
03653-98	03/27/1998	971056-TX	BellSouth BSE (Early) - Prehearing statement.
03654-98	03/27/1998	971056-TX	BellSouth BSE (Early) - Notice of filing responses to staff's 1st set of interrogatories, No. 1.
03792-98	04/01/1998	971056-TX	FAW NOTICE of 4/27/98 hearing at 9:30 a.m. in Tallahassee.
03882-98	04/03/1998	971056-TX	BSE (Early) - Notice of filing amended responses to staff's 1st set of interrogatories, No. 1.
03883-98	04/03/1998	971056-TX	BSE (Early) - Notice of filing responses to FCCA's 1st set of interrogatories, Nos. 1-6.
04021-98	04/07/1998	971056-TX	VOTE SHEET fr 4/7/98 ag - JN, DS, CL, GR, JC, staff recomm approved.
04104-98	04/09/1998	971056-TX	BSE (Early) - Letter notification of responses to FCCA's 1st request for production of documents.
04236-98	04/13/1998	971056-TX	TRANSCRIPT - Pgs 1-19 of 4/13/98 prehearing conference in Tallahassee before DS.
04378-98	04/16/1998	971056-TX	BellSouth BSE (Early) - Notice of late filed exh to telephonic depo of Robert C. Scheye.
04459-98	04/20/1998	971056-TX	BellSouth BSE (Early) - Responses to FCCA's 2nd set of interrogatories, Nos. 7-22.
04463-98	04/21/1998	971056-TX	Order PSC-98-0556-PCO-TX granting Time Warner AxS intervention.

**Docket Index Listing for Closed Dockets
971056 (continued)**

<u>DOCUMENT NO.</u>	<u>DATE</u>	<u>DOCKET NO.</u>	<u>DESCRIPTION</u>
04465-98	04/21/1998	971056-TX	Order PSC-98-0558-PCO-TX granting Teleport intervention.
04466-98	04/21/1998	971056-TX	Order PSC-98-0559-PCO-TX granting AT&T intervention.
04496-98	04/22/1998	971056-TX	Order PSC-98-0562-PCO-TX denying BellSouth BSE's motion to dismiss; docket to remain open and proceed to hearing. (JDCGJ)
04588-98	04/24/1998	971056-TX	Prehearing Order PSC-98-0577-PHO-TX. (D)
04731-98	04/28/1998	971056-TX	BellSouth BSE (Durrance) - Notice of attached late-filed hearing exhibit No. 11.
05241-98	05/11/1998	971056-TX	TRANSCRIPT - Vol 1, pgs 1-144 of 4/27/98 hearing in Tallahassee before JN, DS, CL, GR, JC.
05242-98	05/11/1998	971056-TX	TRANSCRIPT - Vol 2, pgs 145-235 of 4/27/98 hearing in Tallahassee before JN, DS, CL, GR, JC.
05262-98	05/11/1998	971056-TX	BellSouth BSE (Durrance) - Response and objection to Citizens' 1st set of post-settlement requests for production of documents (1997 Earnings) and motion for temporary protective order.
05263-98	05/11/1998	971056-TX	BellSouth BSE (Durrance) - Notice of filing response and objection to Citizens' 1st set of post-settlement requests for production of documents (1997 Earnings).
05706-98	05/22/1998	971056-TX	FCCA (McGlothlin) - Motion to compel discovery and motion for leave to supplement record and motion to extend deadline for briefs.
05707-98	05/22/1998	971056-TX	FCCA (McGlothlin) - Motion for an order tolling the time for filing post-hearing briefs.
05708-98	05/22/1998	971056-TX	FCCA (McGlothlin) - Motion for oral argument.
05830-98	05/29/1998	971056-TX	BellSouth BSE (Early) - Response to FCCA's motion to compel discovery, motion for leave to supplement record, and motion to extend deadline for briefs.
05839-98	05/29/1998	971056-TX	FCCA/BellSouth BSE/MCI/AT&T/Time Warner/TCG (McGlothlin/Early/Bond/Rule/Auger/Hoffman) - Stipulation governing review of information asserted to be confidential, supplementing evidentiary record, and for extension of time within which to file posthearing briefs, and joint motion for extension of time (until 6/15/98) to submit posthearing briefs.
05959-98	06/03/1998	971056-TX	Order PSC-98-0765-PCO-TX granting BellSouth BSE's motion for extension of time to 6/15/98 to file post-hearing briefs. (D)
06258-98	06/12/1998	971056-TX	Teleport/TCG (Illis) - Request for official recognition of order of KY PSC entered 6/8/98.
06303-98	06/15/1998	971056-TX	BellSouth BSE (Early) - Request for confidential treatment of D's 06304-98 and 06309-98. [DN 06309-98 was actually filed by FCCA/MCI/AT&T.]

**Docket Index Listing for Closed Dockets
971056 (continued)**

<u>DOCUMENT NO.</u>	<u>DATE</u>	<u>DOCKET NO.</u>	<u>DESCRIPTION</u>
06304-98	06/15/1998	971056-TX	BellSouth BSE (Early) - (CONFIDENTIAL) Brief in support of application for certification as an ALEC. [Includes diskette, which will be placed with the confidential document.]
06305-98	06/15/1998	971056-TX	BSE (Early) - Redacted version of Confidential DN 06304-98.
06306-98	06/15/1998	971056-TX	FCCA/MCI/AT&T (McGlothlin/Bond/Rule) - Joint brief.
06307-98	06/15/1998	971056-TX	FCCA/MCI/AT&T (McGlothlin/Bond/Rule) - Renewed motion to supplement evidentiary record.
06308-98	06/15/1998	971056-TX	FCCA/MCI/AT&T (McGlothlin/Bond/Rule) - (CONFIDENTIAL) Section of joint brief.
06309-98	06/15/1998	971056-TX	FCCA/MCI/AT&T (McGlothlin/Bond/Rule) - (CONFIDENTIAL) Exhibit to renewed motion to supplement evidentiary record.
06310-98	06/15/1998	971056-TX	FCCA/MCI/AT&T (McGlothlin/Bond/Rule) - (CONFIDENTIAL) Attachment to renewed motion to supplement evidentiary record.
06314-98	06/15/1998	971056-TX	TGG (Ellis) - Post-hearing brief.
06545-98	06/19/1998	971056-TX	BellSouth BSE (Early) - Response to FCCA, AT&T, and MCI's renewed motion to supplement evidentiary record.
06591-98	06/22/1998	971056-TX	TGG (Ellis) - Joinder in renewed motion to supplement evidentiary record.
06841-98	06/29/1998	971056-TX	FCCA, AT&T, and MCI (McGlothlin) - Correction to BSE's request for confidential treatment and request for determination that certain pages of supplemental exhibit are not confidential.
06844-98	06/29/1998	971056-TX	TGG (Ellis) - Joinder in FCCA/AT&T/MCI/MCI's request for determination that certain pages of supplemental exhibits are not confidential.
07000-98	07/02/1998	971056-TX	BellSouth BSE (Early) - Response to correction by FCCA, AT&T, and MCI to request for confidential treatment and request for determination that certain pages of supplemental exhibit are not confidential.
07303-98	07/10/1998	971056-TX	FCCA (McGlothlin)/ MCI (Berlin)/ AT&T (Rule) - Response to BSE's supplemental justification for confidentiality.
07679-98	07/21/1998	971056-TX	BellSouth BSE (Harron) - Request for official recognition [of attached 7/2/98 opinion entered by California PUC]
07813-98	07/23/1998	971056-TX	BellSouth BSE (Early) - Request for official recognition [of attached order granting certificate of public convenience and necessity to BSE entered by North Carolina Utilities Commission in Docket P-691 on 7/22/98].

Docket Index Listing for Closed Dockets
971056 (continued)

<u>DOCUMENT NO.</u>	<u>DATE</u>	<u>DOCKET NO.</u>	<u>DESCRIPTION</u>
07617-98	07/24/1998	971056-TX	Copy of LEG/Bedell 7/23/98 memo to Chairman JN requesting extension for filing recommendation until noon, 7/27/98; handwritten recommendation for approval by EXD included. RECOM for 8/4/98 ag fr CMU/Moses; LEG/Bedell, Brown - grant BellSouth BSE an ALEC certificate with no conditions or modifications; close docket. VOTE SHEET fr 8/4/98 ag - JN, DS, CL, GR, JC, staff recomb approved. Order PSC-98-1165-FOF-T resolving protest of Order PSC-97-1347-FOF-TX granting BellSouth BSE Cert 5261 and denying motion to supplement record and closing docket. (JDCGJ) CMU/Moses 9/8/98 memo to RAR/Flynn advising confidential DNs 06304-98, 06308-98, 06309-98, and 06310-98 may be returned to BellSouth.
07886-98	07/27/1998	971056-TX	
08264-98	08/05/1998	971056-TX	
09327-98	08/27/1998	971056-TX	
09761-98	09/08/1998	971056-TX	

FLORIDA PUBLIC SERVICE COMMISSION - RECORDS AND REPORTING

Requisition for Photocopying and Mailing

Date 6/4/98
 Number of Originals Requested By 2 Copies Per Original 17
 Requested By [Signature]

Item Presented
 Agenda For (Date) _____ Order No. 98-0765 In Doc. at No. 7711567
 Notice of _____ For (Date) _____ In Doc. at No. _____
 Other _____

Special Handling Instructions _____

Distribution/Mailing		Distribution/Mailing	
Number	Distributed/Mailed To	Number	Distribution/Mailed To
<u>17</u>	<u>Commission Offices</u>	---	_____
	<u>Docket Mailing List - Mailed</u>	_____	_____
<u>(13)</u>	<u>Docket Mailing List - Faxed</u>	_____	_____

Note: Items must be mailed and/or returned within one working day after issue unless specified here:

Print Shop Verification
 Job Number 102 Verified By _____
 Date and Time Completed _____ Job Checked For Correctness and Quality (Initial) _____

Mail Room Verification
 Date Mailed _____ Verified By _____

MEMORANDUM

June 2, 1998

RECEIVED

JUN - 3 1998

10:50

FPSC - Records/Reporting

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (BEDELL) *CB*

RE: DOCKET NO. 971056-TX - APPLICATION FOR CERTIFICATE TO PROVIDE ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE BY BELLSOUTH BSE, INC.

98-0765-PCO-TX

Attached is an ORDER GRANTING MOTION FOR EXTENSION OF TIME, to be issued in the above referenced docket. (Number of pages in order - 2)

CB/anr
Attachment
cc: Division of Communications
I: bsedisc.cb

*FAVO - 13/0
MAILED -*

FLORIDA PUBLIC SERVICE COMMISSION - RECORDS AND REPORTING

Requisition for Photocopying and Mailing

Date 1 / 21 / 78
 Number of Originals 11 Copies Per Original 12

Requested By Mark P. [Signature]

Item Presented _____
 Agenda For (Date) _____ Order No. 77-0577 In Docket No. 771036
 Notice of _____ For (Date) _____ In Docket No. _____
 Other _____

Special Handling Instructions _____

Distribution/Mailing		Distribution/Mailing	
Number	Distributed/Mailed To	Number	Distribution/Mailed To
<u>17</u>	<u>Commission Offices</u>	<u>--</u>	<u>(8) phoned</u>
<u>①</u>	<u>Docket Mailing List - Mailed</u>		<u>30 in Rarities 2-62H</u>
<u>①</u>	<u>Docket Mailing List - Faxed</u>		

Note: Items must be mailed and/or returned within one working day after issue unless specified here:

Print Shop Verification
 Job Number 226 Verified By U.S.
 Date and Time Completed 4-24 Job Checked For Correctness and Quality (Initial) _____

Mail Room Verification
 Date Mailed _____ Verified By _____

MEMORANDUM

April 24, 1998

RECEIVED

APR 24 1998
10:55
FPSC - Records/Reporting

TO: DIVISION OF RECORDS AND REPORTING
FROM: DIVISION OF LEGAL SERVICES (BROWN) *MCB*
RE: DOCKET NO. 971056-TX - APPLICATION FOR CERTIFICATE TO
PROVIDE ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS
SERVICE BY BELLSOUTH BSE, INC.

98-0577-PHO-TX

Attached is a PREHEARING ORDER, to be issued in the above
referenced docket. (Number of pages in order - 11)

MCB/anr
Attachment
cc: Division of Communications
I: 971056po.mcb

MUST GO TODAY

PLEASE ISSUE TODAY. THANK YOU!

FLORIDA PUBLIC SERVICE COMMISSION - RECORDS AND REPORTING

Requisition for Photocopying and Mailing

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Item Presented _____
 Agenda For (Date) _____ Order No. 98-0563 In Docket No. 971056
 Notice of _____ For (Date) _____ In Docket No. _____
 Other _____

Special Handling Instructions

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Number	Distributed/Mailed To	Number	Distribution/Mailed To
<u>17</u>	<u>Commission Offices</u>	---	_____
<u>1</u>	<u>Docket Mailing List - Mailed</u>	_____	_____
<u>12</u>	<u>Docket Mailing List - Faxed</u>	_____	_____

Note: Items must be mailed and/or returned within one working day after issue unless specified here:

Print Shop Verification
 Job Number 238 Verified By Michael
 Date and Time Completed 4/28 Job Checked For Correctness and Quality (Initial) U

Mail Room Verification
 Date Mailed / Verified By /

MEMORANDUM

April 13, 1998

Corrected 4/21/98
RECEIVED *3:55*
Line

APR 17 1998
1155
FPSC - Records/Reporting

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (BEDELL) *CB MCB*

RE: DOCKET NO. 971056-TX - APPLICATION FOR CERTIFICATE TO
PROVIDE ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS
SERVICE BY BELL SOUTH BSE, INC.

98-0562-PLD-TX

Attached is an ORDER DENYING MOTIONS TO DISMISS, to be issued
in the above referenced docket. (Number of pages in order - 6)

CB/anr
Attachment
cc: Division of Communications
I: 971056.ord

see 1+5

*forced
waived - 12/1*

FLORIDA PUBLIC SERVICE COMMISSION - RECORDS AND REPORTING

Requisition for Photocopying and Mailing

Date 3/1/91
 Number of Originals Requested By SMJ Copies Per Original 495

Item Presented
 Agenda For (Date) _____ Order No. _____ In Docket No. _____
 Notice of _____ For (Date) _____ In Docket No. _____
 Other _____

Special Handling Instructions

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Number	Distributed/Mailed To	Number	Distribution/Mailed To
	Commission Offices	<u>463</u>	
	Docket Mailing List - Mailed		<u>STAG W/DG</u>
	Docket Mailing List - Faxed		

Note: Items must be mailed and/or returned within one working day after issue unless specified here:

Print Shop Verification

Job Number 10 Verified By Michael
 Date and Time Completed 3/3 Job Checked For Correctness and Quality (Initial) ---

Mail Room Verification

Date Mailed 3/3 Verified By A.J.

721

MEMORANDUM

February 27, 1998

RECEIVED

FEB 27 1998

^{2:00}
FPSC - Records/Reporting

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (BROWN) *NKB*

RE: DOCKET NO. 971056-TX - APPLICATION FOR CERTIFICATE TO PROVIDE ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE BY BELLSOUTH BSE, INC.

Attached is a NOTICE OF COMMISSION HEARING AND PREHEARING, to be issued in the above referenced docket. (Number of pages in order - 3)

MCB/anr
Attachment
cc: Division of Communications
I: 971056nh.mcb

*boxed -
mailed -
TX 137
JL 7 20*

*ok
yf*

MEMORANDUM

March 2, 1998

TO: DIVISION OF RECORDS AND REPORTING
FROM: DIVISION OF LEGAL SERVICES (BROWN) *BK for MCB*
RE: DOCKET NO. 971056-TX - APPLICATION FOR CERTIFICATE TO
PROVIDE ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS
SERVICE BY BELLSOUTH BSE, INC.

Attached is a NOTICE OF COMMISSION HEARING AND PREHEARING, to
be issued in the above referenced docket. (Number of pages in
order - 2)

MCB/anr
Attachment
cc: Division of Communications
I: 971056nh.mcb

State of Florida



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: May 11, 1998
TO: Blanca Bayo, Director, Records and Reporting
FROM: Joy Kelly, Chief, Bureau of Reporting
RE: DOCKET NO. 971056-TX, HEARING HELD 4-27-98
APPLICATION FOR CERTIFICATE TO PROVIDE ALTERNATIVE LOCAL
EXCHANGE TELECOMMUNICATIONS SERVICE BY BELLSOUTH BSE, INC..

Attached for filing in the docket file of the captioned case are Exhibits 1 through 11, representing all exhibits marked and received into evidence during the hearing.

Acknowledged by:

A handwritten signature in cursive script, appearing to read "Joy Kelly", written over a horizontal line.

JK:pc



Public Service Commission

State of Florida

-M-E-M-O-R-A-N-D-U-M-

DATE: May 11, 1998
TO: Blanca Bayó, Director, Records and Reporting
FROM: Joy Kelly, Chief, Bureau of Reporting
RE: DOCKET NO. 971056-TX, HEARING HELD 4-27-98

RE: APPLICATION FOR CERTIFICATE TO PROVIDE ALTERNATIVE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES BY BELLSOUTH BSE, INC.

DOCUMENT NOS. VOLUME 1 05251, 5-11-98; VOLUME 2, 05242, 5-11-98;

The transcript for the above transcribed hearing has been completed and is forwarded for placement in the docket file, including attachments.

Please note that Staff distribution of this transcript was made to:

LEGAL, AFAD, CMU

Acknowledged by:

A handwritten signature in cursive script, appearing to read "Andy Simon".

JK/pc

PSC/RAR 28 (Rev7/94)



State of Florida

Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: April 16, 1998
TO: Blanca Bayó, Director, Records and Reporting
FROM: Joy Kelly, Chief, Bureau of Reporting
RE: DOCKET NO. 971056-TX, PREHEARING CONFERENCE HELD 4-13-98

RE: APPLICATION FOR CERTIFICATE TO PROVIDE ALTERNATIVE
LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE BY BELLSOUTH BSE,
INC.

DOCUMENT NO. 042365, 4-13-98

The transcript for the above transcribed hearing has been completed and is forwarded for placement in the docket file, including attachments.

Please note that Staff distribution of this transcript was made to:

LEGAL, AFAD, CMU

Acknowledged by:

JK

JK/pc

PSC/RAR 28 (Rev7/94)

WIGGINS & VILLACORTA, P.A.

ATTORNEYS AT LAW
501 EAST TENNESSEE STREET
POST OFFICE DRAWER 1657
TALLAHASSEE, FLORIDA 32302

TELEPHONE (904) 222-1534
TELECOPIER (904) 222-1689

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JAN 23 1998
FPSC - Records/Reporting

TELECOPY

DATE: 1-16-98
TO: RECORDS AND REPORTING 413-7116 FAX
FROM: PAM KEILLOR

THIS TELECOPY CONSISTS OF 1 PAGE INCLUDING THIS COVER PAGE. PLEASE DELIVER AS SOON AS POSSIBLE. IF YOU HAVE ANY QUESTIONS, PLEASE CALL (904) 222-1534.

Please add Donna Canzano to the interested persons lists for the following dockets.

921056 - added 1/26/98

980048 - added 1/26/98

19

Thanks. :)



January 6, 1998

-----VIA FACSIMILE-----

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

RECEIVED

JAN 06 1998

FPSC - Records/Reporting

Re: Docket No. ~~97-056-TX~~

Dear Ms. Bayó:

The Florida Public Telecommunications Association, Inc. requests that it be included on the mailing list as an interested entity in the above-referenced docket. Please address all correspondence as follows:

Angela B. Green, General Counsel
Florida Public Telecommunications Association, Inc.
125 South Gadsden Street, Suite 200
Tallahassee, Florida 32301

*entered
1/7/98*

Thank you for your assistance with this matter.

Sincerely,

Angela B. Green
General Counsel

971056mailinglist.doc

AKERMAN, SENTERFITT & EIDSON, P.A.
ATTORNEYS AT LAW

*Updated
11-5-97*

216 SOUTH MONROE STREET, SUITE 200
POST OFFICE BOX 10555
TALLAHASSEE, FLORIDA 32302-2555
(850) 222-3471
TELECOPY (850) 222-8528

MARK HERRON
Also Admitted in Georgia

November 5, 1997

Ms. Nonnye Grant
Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RECEIVED

NOV 15 1997

FPSC - RECORDS DIVISION

*Pending copy
971056-7X*

RE: BellSouth BSE, Inc./Change of Address

Dear Ms. Grant:

This firm represents BellSouth BSE, Inc. The purpose of this correspondence is to file with the Florida Public Service Commission (PSC) the BellSouth BSE, Inc.'s new address and telephone number.

The new address and telephone number of BellSouth BSE, Inc. is:

2727 Paces Ferry Road
Suite 1100
Atlanta, Georgia 30339
(770) 803-2180

TX139

direct Co # - per Mr. Herron

I trust that this information is responsive to the needs of the PSC. If you have any additional questions or concerns, please let me know.

Sincerely,

[Signature]
Mark Herron

cc: Harry Lightsey, Esquire

LAW OFFICES
MESSER, CAPARELLO & SELF
A PROFESSIONAL ASSOCIATION

215 SOUTH MONROE STREET, SUITE 701
POST OFFICE BOX 1876
TALLAHASSEE, FLORIDA 32302-1876
TELEPHONE: (904) 222-0720
TELECOPIERS: (904) 224-4359; (904) 425-1942

97 AUG 19 11 7:35
MAIL ROOM
RECEIVED

AUG 18 1997

August 18, 1997

FPSC - Records/Reporting

Ms. Blanca Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 971056-TX - BellSouth BSE, Inc. ALEC Application

Dear Ms. Bayo:

Please add this firm to the mailing list for Docket No. 971056-TX directing all pleadings, orders, notices, or other materials to the undersigned.

Thank you for your assistance in this matter.

Yours very truly,


Norman H. Horton, Jr.

NHH/amb

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
DIANE K. KIESLING
JOE GARCIA



DIVISION OF RECORDS & REPORTING
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770

Public Service Commission

August 15, 1997

Harry M. Lightsey, III, Vice President - General Counsel
External Affairs and Secretary
BellSouth BSE, Inc.
1100 Peachtree Street, NE, Suite 500
Atlanta, Georgia 30309-4599

Re: Docket No. 971056-TX

Dear Mr. Lightsey:

This will acknowledge receipt of an application for certificate to provide alternative local exchange telecommunications service by BellSouth BSE, Inc., which was filed in this office on August 15, 1997 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Mediation may be available to resolve any dispute in this docket. If mediation is conducted, it does not affect a substantially interested person's right to an administrative hearing. For more information, contact the Office of General Counsel at (850) 413-6078 or FAX (850) 413-6079.

Please make note as well that Commission Rule 25-22.005(7), F.A.C., requires certificated companies to notify the Commission of any changes in name, telephone, address, or contact person. Should your application be granted by the Commission, you will be expected to comply with this rule by advising us of any changes as they occur.

Division of Records and Reporting
Florida Public Service Commission

FLORIDA PUBLIC SERVICE COMMISSION
CAPITAL CIRCLE OFFICE CENTER - 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0866

DEPOSIT

DATE

D 5 9 3

AUG 15 1997

APPLICATION FORM
for

AUTHORITY TO PROVIDE ALTERNATIVE LOCAL EXCHANGE SERVICE
WITHIN THE STATE OF FLORIDA

INSTRUCTIONS

1. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing alternative local exchange certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee.
2. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
3. Use a separate sheet for each answer which will not fit the allotted space.
4. If you have questions about completing the form, contact:

Florida Public Service Commission
Division of Communications, Certification & Compliance Section
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0866
(904) 413-6600

BELLSOUTH CORPORATION

Nationwide of Georgia, N.A.
Atlanta, DeKalb County, Georgia

CHECK NO.

498348

PAY

Two Hundred Fifty Dollars and No Cents

64-1278
611

TO THE ORDER OF

FLORIDA PUBLIC SERVICE COMMISSION
DIV OF COMM CERT & COMP SECTION
2540 SHUMARD OAK BLVD
TALLAHASSEE, FL 32399-0866

DATE

AMOUNT

08-12-97

\$250.00

[Signature]
Authorizing Signature

**FLORIDA PUBLIC SERVICE COMMISSION
CAPITAL CIRCLE OFFICE CENTER - 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0860**

DEPOSIT

DATE

D 5 9 3 1^{PM}

AUG 15 1997

**APPLICATION FORM
for**

**AUTHORITY TO PROVIDE ALTERNATIVE LOCAL EXCHANGE SERVICE
WITHIN THE STATE OF FLORIDA**

INSTRUCTIONS

1. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing alternative local exchange certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee.
2. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
3. Use a separate sheet for each answer which will not fit the allotted space.
4. If you have questions about completing the form, contact:

**Florida Public Service Commission
Division of Communications, Certification & Compliance Section
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0866
(904) 413-6600**

5. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250 made payable to the Florida Public Service Commission at the above address.
-

Public Service Commission

Docket #: 971056-TX

Contents:

DOCKET NO. 971056-TX

Exhibits for Transcript Dated: 04/27/1998

Beginning Exhibit# 1

Ending Exhibit# 11

DOCKET NUMBER - 971056-TX

EXHIBITS FOR TRANSCRIPT DATED: 4-27-98

Beginning Exhibit # 1

Ending Exhibit # 11

OFFICIAL RECOGNITION LIST

FLORIDA ALEC CERTIFICATION ORDER:

1. Indiantown Telephone System, Inc. - 970129-TX
ORDER NO. PSC-97-0582-FOF-TX
2. Sprint Communications Company Limited Partnership - 960750-TX
ORDER NO. PSC-96-1201-FOF-TX
3. GTE Card Services Incorporated - 961371-TX
ORDER NO. PSC-97-0222-FOF-TX
4. BellSouth Telecommunications, Inc. - 960276-TX
ORDER NO. PSC-96-0704-FOF-TX
5. ALLTEL Long Distance, Inc. - 970610-TX
ORDER NO. PSC-97-0974-FOF-TX
6. Frontier Telemanagement Inc. - 971274-TX
ORDER NO. PSC-97-1604-FOF-TX
7. GTC, Inc. d/b/a GT Com - 971521-TX
ORDER NO. PSC-98-0105-FOF-TX
8. Quincy Telephone Company d/b/a TDS Telecom/Quincy Telephone - 971175-TX
ORDER NO. PSC-97-1421-FOF-TX

FCC ORDERS

FCC ORDER NO. 96-489 (DN 96-149) - First Report and Order (Non-Accounting Safeguards of Sections 271 and 272 of the Act)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET

NO. 971056-TX EXHIBIT NO. 1

COMPANY/

WITNESS: Staff

DATE: 4-27-98

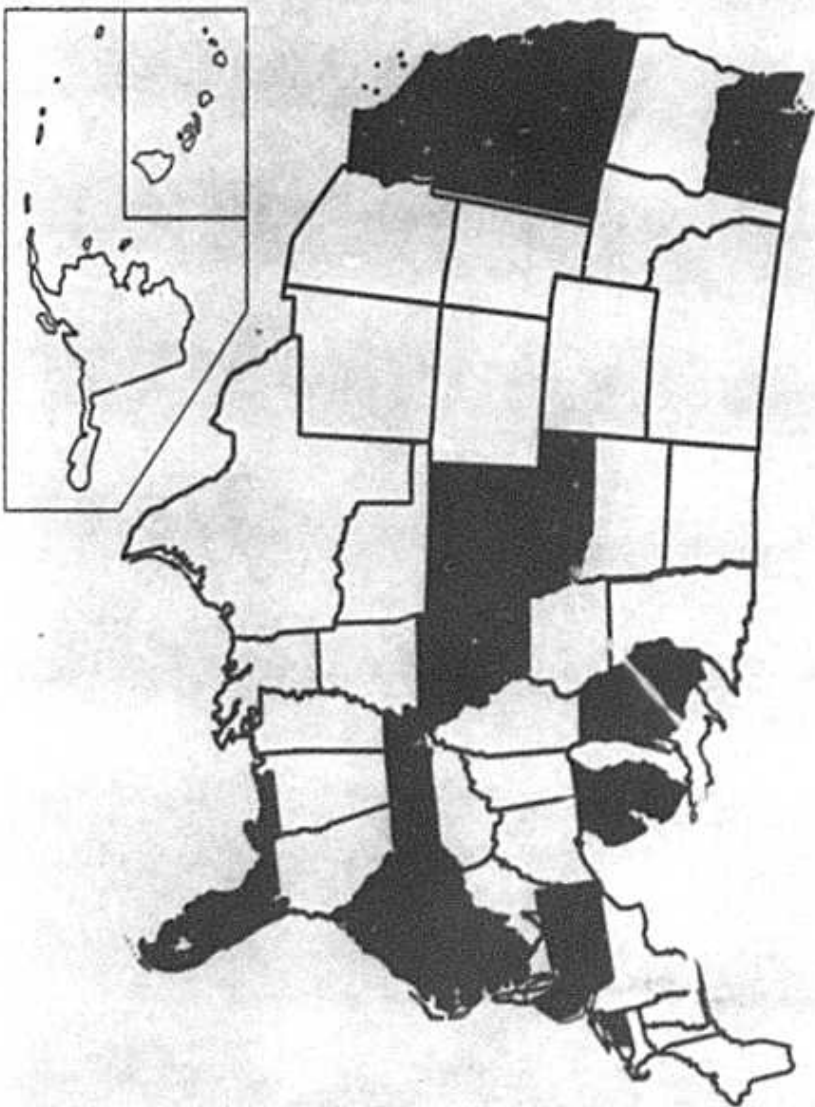
CLECs Approved in Affiliate's ILEC Territory

State	Company	Status	Approval Date
California	GTE	Approved	12/30/95 & 2/23/96
Connecticut	SNET	Approved	6/25/97
Florida	BELLSOUTH	*Approved	10/27/97
Florida	GTE	Approved	2/24/97
Florida	SPRINT	Approved	12/28/95
Kansas	SPRINT	Approved	8/7/96
Michigan	AMERITECH	Approved	8/28/96
Missouri	Sprint	Approved	2/28/97
Nebraska	SPRINT	Approved	3/10/97
Nevada	SPRINT	Approved	11/17/97
New Jersey	SPRINT	Approved	7/17/96
North Carolina	GTE	Approved	4/16/97
North Carolina	SPRINT	Approved	3/24/97
Pennsylvania	SPRINT	Approved	
South Carolina	GTE	Approved	9/12/97
South Carolina	SPRINT	Approved	12/3/96
South Carolina	BELLSOUTH	Approved	12/23/97
Tennessee	SPRINT	Approved	10/3/96
Virginia	SPRINT	Approved	11/8/96
Washington	SPRINT	Approved	7/9/97
Wisconsin	AMERITECH	Approved	11/26/96

* Approved by PSC, protests filed.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 771056-TX EXHIBIT NO 2
COMPANY/
WITNESS: Schulz
DATE: 4-27-98

CLECs Approved in Affiliate's ILFC Territory



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for certificate to
provide alternative local exchange
telecommunications service by
BellSouth BSE, Inc.

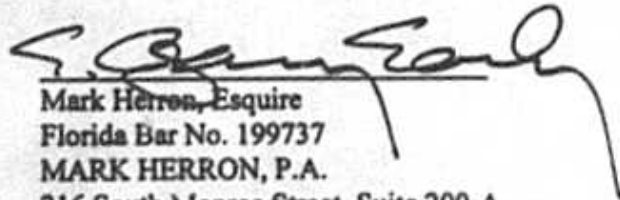
Docket No. 971056-TX

Filed: January 30, 1998

**BELLSOUTH BSE, INC.'S NOTICE OF
FILING TESTIMONY OF ROBERT C. SCHEYE**

Pursuant to the Order Establishing Procedure entered in the above styled proceeding, BellSouth BSE, Inc., through undersigned counsel, files this Notice of Filing the attached testimony of Robert C. Scheye, and the exhibit referenced therein, on this 30th day of January, 1998.

Respectfully Submitted,



Mark Herron, Esquire
Florida Bar No. 199737
MARK HERRON, P.A.
216 South Monroe Street, Suite 200-A
Tallahassee, Florida 32301
(850) 567-4878

E. Gary Early, Esquire
Florida Bar No. 325147
AKERMAN, SENTERFITT & EIDSON, P.A.
216 South Monroe Street, Suite 200
Tallahassee, Florida 32301
(850) 222-3471

Attorneys for BellSouth BSE, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing NOTICE OF FILING TESTIMONY OF ROBERT C. SCHEYE was furnished to the following parties by United States mail or hand delivery this 30th day of January, 1998:

By Hand Delivery to:
Martha Carter Brown
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd., Room 390-M
Tallahassee, FL 32399-0850

Joseph A. McGlothlin
Vicki Gordon Kaufman
117 S. Gadsden Street
Tallahassee, FL 32301
Counsel for Florida Competitive Carriers Association

Richard D. Melson
Hopping Green Sams & Smith
Post Office Box 6526
Tallahassee, FL 32314
Counsel for MCI Telecommunications Corp.

Robert G. Beatty and Nancy B. White
c/o Nancy H. Sims
150 S. Monroe Street, Suite 400
Tallahassee, FL 32301
Counsel for BellSouth Telecommunications, Inc.

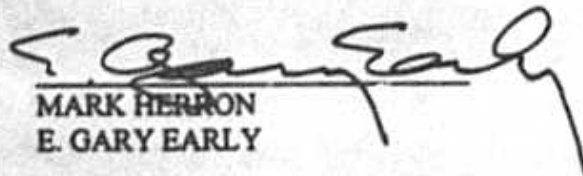
Kenneth A. Hoffman, Esq.
Rutledge, Ecenia, Underwood,
Purnell & Hoffman, P.A.
P.O. Box 551
Tallahassee, FL 32302
Counsel for Teleport Communications Group, Inc.

Peter M. Dunbar, Esq.
Barbara D. Auger, Esq.
Pennington, Moore, Wilkinson & Dunbar, P.A.
P.O. Box 10095
Tallahassee, FL 32302
Counsel for Time Warner AxS of Florida, L.P.

By U.S. Mail to:
Thomas K. Bond
MCI Telecommunications Corp.
780 Johnson Ferry Road
Suite 700
Atlanta, GA 30342

Michael McRae, Esq.
Teleport Communications Group, Inc.
2 Lafayette Centre
1133 Twenty First Street, N.W.
Suite 400
Washington, D.C. 20036

Carolyn Marek
Time Warner Communications
Post Office Box 210706
Nashville, TN 37221



MARK HERRON
E. GARY EARLY

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

99-0195
RECEIVED
OCT 1 - 1997

PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF)
BELLSOUTH BSE, INC.)
FOR AUTHORITY TO PROVIDE)
LOCAL EXCHANGE SERVICE)

CASE NO. 97- 417

BellSouth BSE, Inc. ("Applicant") requests that the Kentucky Public Service Commission (the "Commission") certify it as a competitive local exchange carrier ("CLEC") pursuant to KRS Chapter 278 and the Commission's Order of September 26, 1996 in Administrative Case Number 355 with authority to provide local exchange telephone service throughout the Commonwealth of Kentucky ("Kentucky"). In support of its Application, the Applicant states as follows:

1. The full name, address and telephone number of the Applicant is:

BellSouth BSE, Inc.
1100 Peachtree Street, N.E.
Suite 500
Atlanta, Georgia 30309-4599
Telephone: (404) 249-2080
Facsimile: (404) 249-2088

2. The Applicant's attorney is:

Harry M. Lightsey, III
1100 Peachtree Street, N.E.
Suite 500
Atlanta, Georgia 30309-4599
Telephone: (404) 249-2080
Facsimile: (404) 249-2088

(3)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET

NO. 971065-TX EXHIBIT NO. 3

COMPANY/

WITNESS:

DATE: 4-27-98

Kendrick R. Riggs
Allyson Sturgeon
Ogden, Newell & Welch
1700 Citizens Plaza
500 West Jefferson Street
Louisville, Kentucky 40202-2874
Telephone: (502) 582-1601
Facsimile: (502) 581-9564

3. The names, street address, telephone number and fax number of the responsible contact persons for customer complaints and regulatory issues are:

Pat Cowart
Robert Scheye
BellSouth BSE, Inc.
1100 Peachtree Street, N.E.
Suite 500
Atlanta, Georgia 30309-4599
Telephone: (800) 489-4951
Facsimile: (404) 249-2088

4. A notarized statement by Robert Scheye stating that the Applicant has not previously collected for intrastate service in Kentucky prior to filing this Application is attached hereto as Exhibit 1.

5. Applicant intends to provide business and residential exchange and access service throughout the Commonwealth of Kentucky beginning as soon as practicable. BSE currently intends to be prepared to offer services in mid-1998.

6. BSE intends to initially resell the services of incumbent local exchange carriers (ILECs) and to purchase unbundled network elements as appropriate. Once it has initiated business, it may deploy its own facilities when it becomes economically feasible to do so.

7. BSE has initiated negotiations for interconnection agreements with BellSouth Telecommunications, C/TE and Cincinnati Bell for the state of Kentucky.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

97-0193
RECEIVED

OCT 1 - 1997

PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF)
BELLSOUTH BSE, INC.)
FOR AUTHORITY TO PROVIDE)
LOCAL EXCHANGE SERVICE)

CASE NO. 97- 417

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1100 Peachtree Street, N.E.
Suite 500
Atlanta, Georgia 30309-4599
Telephone: (404) 249-2080
Facsimile: (404) 249-2088

(3)

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET
NO. 971065-TX EXHIBIT NO. 3
COMPANY/
WITNESS: _____
DATE: 4-27-98

Kendrick R. Riggs
Allyson Sturgeon
Ogden, Newell & Welch
1700 Citizens Plaza
500 West Jefferson Street
Louisville, Kentucky 40202-2874
Telephone: (502) 582-1601
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BellSouth BSE, Inc.
1100 Peachtree Street, N.E.
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5. Applicant intends to provide business and residential exchange and access service throughout the Commonwealth of Kentucky beginning as soon as practicable. BSE currently intends to be prepared to offer services in mid-1998.

6. BSE intends to initially resell the services of incumbent local exchange carriers (ILECs) and to purchase unbundled network elements as appropriate. Once it has initiated business, it may deploy its own facilities when it becomes economically feasible to do so.

7. BSE has initiated negotiations for interconnection agreements with BellSouth Telecommunications, GTE and Cincinnati Bell for the state of Kentucky.

8. A complete tariff reflecting services to be offered, including rates and regulations applicable to each service, is submitted with this Application as Exhibit 2.

9. Applicant is a corporation organized and existing under the laws of the State of Delaware since July 16, 1997 and has received a Certificate of Authority to transact business as a foreign corporation in Kentucky. True and correct copies of the Articles of Incorporation and the Certificate of Authority for Applicant are attached as Exhibit 3. The Applicant is a wholly-owned subsidiary of BellSouth BSE Holdings, Inc., which in turn is a wholly-owned subsidiary of BellSouth Corporation ("BellSouth"). The Applicant is an affiliate, but not a subsidiary, of BellSouth Telecommunications, Inc. ("BST"), an ILEC certificated to provide local exchange service for much of the state of Kentucky.

10. The Applicant's management team and other employees have vast experience in the design and delivery of a wide variety of telecommunications and related services. This team brings to the Applicant substantial managerial and technical experience, in excess of that necessary for it to qualify as a CLEC. In addition, BellSouth has substantial economic and financial resources sufficient to assure the Commission of the financial capability of the Applicant. The names and qualifications of BSE's officers are included as Exhibit 4. In addition, proof of BSE's financial and technical abilities to provide adequate, reasonable, and efficient service are provided as Exhibit 5.

11. The Applicant will focus on addressing the developing marketing for integrated packages of telecommunications and related services. The telecommunications market of the future will be characterized by full service providers, capable of delivering high quality

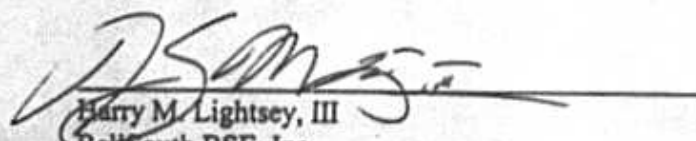
integrated services, a single point of contact for sales and services and the ability to provide these services throughout the state and in other states.

12. The Applicant will, pursuant to the Commission's Order in Administrative Case No. 355, post a bond or establish an escrow account equal to 6% of gross interest and receipts, net of payments to other carriers, in order to meet Applicant's obligations thereunder prior to its providing services in the State of Kentucky.

13. In sum, certification of the Applicant will enable a capable, experienced and financially sound company with a solid reputation for innovation and quality service to compete on an equal basis in today's increasingly competitive telecommunications environment. The Applicant has the requisite technical, financial and managerial resources required by KRS Chapter 278 and the Commission's Order of September 26, 1996 in Administrative Case Number 355 to provide local exchange services in Kentucky. Finally, Applicant will comply with all of the monitoring requirements set forth in Administrative Case No. 355.

For all of the foregoing reasons, the Applicant respectfully requests that the Commission grant its Application for certification as a CLEC within Kentucky.

Respectfully submitted,



Harry M. Lightsey, III
BellSouth BSE, Inc.
1100 Peachtree Street, N.E.
Suite 500
Atlanta, Georgia 30309-4599
(404) 249-2080

Counsel for BellSouth BSE, Inc.

EXHIBIT NO. _____

DOCKET NO: 971056-TX

WITNESS: ROBERT C. SCHEYE

PARTY: BELLSOUTH BSE, INC.

DESCRIPTION:

4/2/98 DEPOSITION TRANSCRIPT - PAGE 1
WHICH INCLUDES THE FOLLOWING DEPOSITION
EXHIBITS:

1. BSE'S RESPONSE TO STAFF'S FIRST
REQUEST FOR PRODUCTION OF DOCUMENTS
NOS. 1-6 - PAGE 64
2. BSE'S RESPONSE TO STAFF'S FIRST SET
OF INTERROGATORIES NO.1 (AS AMENDED)
- PAGE 101 A
3. LATE-FILED DEPOSITION EXHIBIT NO.1 -
PAGE 107

PROFFERING PARTY: STAFF

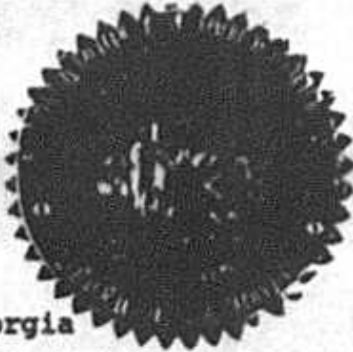
I. D. # RCS-9

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 971056-TX EXHIBIT NO. 4
COMPANY/ Schey
WITNESS: Schey
DATE: 4-22-98

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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: DOCKET NO. 971056-TX
In the Matter of :
Application for certificate :
to provide alternative local :
exchange telecommunications :
service by BellSouth BSE, Inc. :



TELEPHONIC
DEPOSITION OF: ROBERT C. SCHEYE
Located in Atlanta, Georgia

TAKEN AT THE
INSTANCE OF: The Staff of the Florida
Public Service Commission

CONDUCTED FROM: Gunter Building
2540 Shumard Oak Boulevard
Room 362
Tallahassee, Florida

TIME: Commenced at 10:10 a .m.
Concluded at 11:45 a.m.

DATE: Thursday, April 2, 1998

REPORTED BY: JOY KELLY, CSR, RPR
Chief, Bureau of Reporting
(904) 413-6732

I N D E X

1		
2	WITNESS	PAGE NO.
3		
4	ROBERT SCHEYE	
5	Examination By Ms. Bedell	4
	Examination By Mr. McGlothlin	42
6	Examination By Mr. Ellis	50
	Examination By Mr. Bond	56
7		
8		
9	EXHIBITS	
10	NUMBER	IDENTIFIED
11		
12	1 (Late-Filed) Mr. Scheye's Participation in PSC Proceedings	8
13	2 Production of Documents	37
14	3 Staff's First Set of Interrogatories	37
15		
16	ERRATA SHEET	60
17	CERTIFICATE OF DEPONENT	61
18	CERTIFICATE OF OATH	62
19	CERTIFICATE OF REPORTER	63
20		
21		
22		
23		
24		
25		

1 Q Would you please state your full name and
2 business address for the record?

3 A Robert C. Scheye. 2727 Paces Ferry Road,
4 Atlanta, Georgia 30339.

5 Q Is that where you are at the moment?

6 A Yes.

7 Q Okay. By whom are you currently employed?

8 A BellSouth BSE, Incorporated.

9 Q And what is the date of your employment,
10 that you started employment with BellSouth BSE?

11 A November 1st, 1997.

12 Q And what is your current job title?

13 A Vice president Supply Relations and Business
14 Relations.

15 Q Is this the only position that you hold or
16 have held with BellSouth BSE? (Pause)

17 A Are you there?

18 Q Yes. Are you there?

19 A I'm here. I thought there was --

20 Q I tried to ask the question -- is the
21 position that you currently hold the only position
22 that you hold or have held --

23 A Yes.

24 Q -- with BSE?

25 A Yes.

1 **APPEARANCES:**

2 **CATHERINE BEDELL**, Florida Public Service
3 Commission, 2540 Shumard Oak Boulevard, Tallahassee,
4 Florida 32399-0863, on behalf of the Commission Staff.

5 **JOSEPH A. MCGLOTHLIN**, McWhirter, Reeves,
6 McGlothlin, Davidson & Bakas, 315 South Calhoun
7 Street, Tallahassee, Florida 32301, appearing on
8 behalf of the Florida Competitive Carriers
9 Association.

10 **MARSHA H. RULE**, AT&T Communications of the
11 Southern States, Inc., 101 East College Avenue, Suite
12 700, Tallahassee, Florida 32301-1509, appearing
13 on behalf of AT&T Communications participating
14 telephonically.

15 **THOMAS K. BOND**, 780 Johnson Ferry Road,
16 Suite 700, Atlanta, Georgia 30342, appearing on behalf
17 of MCI Metro Access Transmission Services, Inc.,
18 appearing telephonically.

19 **JOHN R. ELLIS**, Rutledge, Ecenia, Underwood, Purnell
20 & Hoffman, P.A., 215 South Monroe Street, Tallahassee, Florida
21 32301, appearing on behalf of Teleport Communications Group,
22 Inc.

23 **GARY EARLY**, Akerman, Senterfitt & Edison, P.A.
24 216 South Monroe Street, Suite 200, Tallahassee, Florida
25 32301, appearing for BellSouth BSE, appearing telephonically.

I N D E X

1		
2	WITNESS	PAGE NO.
3		
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1 MS. BEDELL: This is the telephone
2 deposition of Robert Scheye called by Public Service
3 Commission Staff, in docket 971056, in re: application
4 for certificate to provide alternative local exchange
5 telecommunications service by BellSouth BSE. The
6 witness has been sworn by the notary.

7 (Witness sworn by notary present with
8 witness.)

9 Just so I don't forgot, we're going to do
10 what they call here at the PSC the usual stipulations,
11 which will be that the deposition is taken pursuant to
12 notice, in accordance with the applicable Florida
13 Rules of Civil Procedure; that objections except as to
14 the form of the question are reserved until hearing in
15 this cause, and that reading and signing of the
16 deposition was not waived.

17 - - - - -

18 ROBERT C. SCHEYE
19 called as witness telephonically and sworn to tell
20 the truth by the notary present with the witness,
21 testified as follows:

22 EXAMINATION

23 BY MS. BEDELL:

24 Q Mr. Scheye?

25 A Yes.

1 Q Would you please state your full name and
2 business address for the record?

3 A Robert C. Scheye. 2727 Paces Ferry Road,
4 Atlanta, Georgia 30339.

5 Q Is that where you are at the moment?

6 A Yes.

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15 Q Is this the only position that you hold or
16 have held with BellSouth BSE? (Pause)

17 A Are you there?

18 Q Yes. Are you there?

19 A I'm here. I thought there was --

20 Q I tried to ask the question -- is the
21 position that you currently hold the only position
22 that you hold or have held --

23 A Yes.

24 Q -- with BSE?

25 A Yes.

1 Q And what are your current responsibilities
2 at BellSouth BSE?

3 A My responsibilities include negotiations
4 with any potential supplier to BellSouth BSE, which
5 might be incumbent local exchange carriers, cellular
6 carriers, long distance carriers and other types of
7 providers, as well as responsibility for the
8 certification and the regulatory obligations of
9 BellSouth BSE.

10 Q And what, in the southeast? What area --
11 over what area?

12 A (Inaudible)

13 Q I'm sorry?

14 A The U. S.

15 Q The U. S.

16 A Yes.

17 Q Immediately prior to your employment with
18 BellSouth BSE where were you employed?

19 A BellSouth Telecommunications.

20 Q And for how long were you employed with
21 BellSouth Telecommunications?

22 A Approximately nine years.

23 Q Do you currently have any responsibilities
24 for employment with any Bell entity other than
25 BellSouth BSE?

1 A No.

2 Q What positions did you hold with BellSouth
3 Telecommunications?

4 A Directly prior to coming to BellSouth BSE I
5 was in strategic management, responsible for policies
6 related to the Telecommunications Act, and testifying
7 on those issues in front of -- on behalf of BST in
8 front of state commissions.

9 Q How long did you do that?

10 A I'm going to estimate approximately a year
11 and a half.

12 Q Okay. And what position did you hold prior
13 to that?

14 A Prior to that I was in strategic management,
15 responsible for negotiations on behalf of BST with
16 CLECs who were interested in negotiating a contract
17 under the terms of the Act with BST.

18 Q And for how long did you hold that position?

19 A I would say that began in basically February
20 of 1996. A little over a year.

21 Q And prior to February of 1996 what position
22 did you hold?

23 A I was again in strategic management working
24 on policy issues related to local competition, and the
25 potential outcomes of what the Telecom Act might

1 require of BellSouth.

2 Q Have you testified as a witness for
3 BellSouth Telecommunications in Florida Public Service
4 Commission proceedings?

5 A Yes.

6 Q Do you know how many cases that you have
7 participated in?

8 A I don't know precisely. I would say
9 possibly half a dozen.

10 Q Would you be able to provide us a list of
11 those?

12 A I would have to obtain that information from
13 BST since I don't have the records but assuming they
14 would provide that information I would be happy to
15 provide it.

16 Q Okay. Well, can we ask you to provide that
17 as a late-filed exhibit. We'll call that Late-filed
18 Exhibit 1, "Mr. Scheye's Participation in PSC
19 Proceedings."

20 (Late-Filed Deposition Exhibit 1
21 identified.)

22 Q Do you recall the last case that you
23 testified in at the Florida PSC?

24 A I don't remember the docket number. The
25 topic, or the subject, was the BellSouth BST

1 obligations under the requirements of 271 of the
2 Telecom Act. It was called the 271 case but it had a
3 docket number

4 Q Thank you. And what was the purpose of your
5 testimony in that docket?

6 A To discuss how BellSouth BST had met its
7 obligations under the Act in providing various
8 capabilities to CLECs.

9 Q What other experience do you have in the
10 telecommunications industry beyond the approximately
11 nine years you have with BellSouth Telecommunications?

12 A Prior to joining BellSouth I worked for
13 Bellcore, or Bell Communications Research. I joined
14 that organization at divestiture from AT&T. And both
15 of those -- both at Bellcore and at AT&T I was
16 responsible for regulatory matters dealing with
17 access, modification of final judgment, and long
18 distance competition.

19 Q Do you recall what type of docket at the PSC
20 you participated in prior to the 271 docket?

21 A I participated in arbitration proceedings in
22 front of the Commission. I believe they were both
23 AT&T and MCI. I can't recall if that was a joint
24 docket or not, or whether we had separate hearings. I
25 participated in a Sprint proceeding, which I do not

1 believe went to arbitration hearing, but I think we
2 had stipulated into the record what the positions of
3 the parties were.

4 I participated in an arbitration of a
5 relatively small company in Florida. I can't remember
6 the name of the company. But they were attempting to
7 use remote call forwarding as a means to bypass
8 switched access charges, which we believe was in
9 violation of the statutes of the state of Florida and
10 I was BellSouth's witness in that case.

11 And prior to that the Commission initiated
12 proceedings on resale, and I believe interconnection,
13 as two separate proceedings. These were generic
14 proceedings. And I testified on behalf of BST in
15 those proceedings as well.

16 Q What was the purpose of your testimony in
17 the arbitration proceedings?

18 A Basically to explain, or to attest to
19 BellSouth's position what we had provided the
20 parties -- what BellSouth's policy/position was on the
21 issues as they had been designated for arbitration.

22 Q And in the resale docket?

23 A Similar -- in the resale docket it was a
24 generic proceeding, and what BellSouth's position was
25 in terms of which services should be available for

1 resale, what terms and conditions should apply and
2 those types of things.

3 Q And in the interconnection docket?

4 A It was the same thing except the issues were
5 slightly different but the same basic kinds of issues.

6 Q And did this include discussing the
7 technical terms related to resale and interconnection?

8 A When you say the "technical terms," not
9 specifically the precise nature by which someone would
10 order that service, if that's what you mean. To deal
11 broadly with the mechanisms, interfaces.

12 Q Okay.

13 A I'm not sure what you mean by technical.

14 Q I was just trying to make sure that you
15 understood, at least generally, the terms related to
16 resale and procurement of services that you all will
17 be doing at BellSouth BSE.

18 A Yes. I would have a general understanding
19 of that.

20 Q Okay. Where are BellSouth BSE's offices
21 physically located?

22 A In the building that I --

23 Q We've lost you again.

24 A There's somebody shuffling paper it sounds
25 like.

1 Q Yes.

2 MR. McGLATHLIN: Guilty. (Laughter) I'll
3 be more careful.

4 A What will happen on these, just -- this is
5 not my technical but somebody has told me this -- if
6 somebody makes noises, it somehow loses when people
7 are talking. So if we can keep that to a minimum it
8 will help everybody here I think.

9 Q Yes. That's what the court reporter was
10 talking about when we first started. We will try.

11 I need you to repeat your answer again to
12 where are BSE's offices physically located?

13 A In Atlanta, Georgia, and in this building,
14 2727 Paces Ferry Road.

15 Q Does BSE own or lease these facilities?

16 A We lease the facilities.

17 Q And from whom do you lease the facilities?

18 A It is a non-BellSouth entity. I do not know
19 the name of the building owner.

20 Q It is a non-BellSouth Telecommunications or
21 a non-Bell related entity?

22 A It's a non-Bell related entity.

23 Q Okay.

24 A We believe -- the lease may actually be with
25 Home Depo. It was their space and we may be

1 subletting it from them.

2 Q Okay. Does BSE operate out of any of the
3 same buildings as BellSouth Telecommunications?

4 A No. This is the only building we operate
5 from.

6 Q And are any of BSE's employees housed in
7 BellSouth Telecommunications offices or buildings?

8 A All of them are housed here.

9 Q Okay. In response to Staff's First Request
10 for Production of Documents, you provided us with a
11 functional organizational chart of BSE, and a BSE --
12 BellSouth Telecommunications organizational chart that
13 was dated 2-1-98?

14 A Yes.

15 Q Do you know whether there is a similar
16 separate organizational chart for the BellSouth
17 Telecommunications ALEC?

18 A As far as I know there is no unique
19 organization for that.

20 Q So the BST ALEC employees would be in the
21 organizational chart dated 1-98 that was part of the
22 production of documents?

23 A That's correct.

24 Q Well, how many full-time employees does
25 BellSouth BSE have?

1 A Less than 20 right now.

2 Q And are there any part-time employees?

3 A No. We have some consultants.

4 Q Of the employees, how many are former
5 employees of other Bell affiliates?

6 A I would say probably 75% or more.

7 Q Would it be correct to conclude that BSE's
8 management expertise is primarily derived from former
9 BellSouth Telecommunications employees?

10 A If you broaden it out and say from BellSouth
11 companies I would agree. Not all of them are from
12 BellSouth Telecommunications. Some of them are. I
13 was.

14 Q Okay. When you worked with BellSouth
15 Telecommunications, were you involved with or did you
16 have any knowledge of BellSouth Telecommunications'
17 application for an ALEC certificate in Florida?

18 A Yes. I was aware of it.

19 Q Did you prepare BSE's response to Staff's
20 Interrogatory No. 1?

21 A Yes.

22 Q The first line of that response states that
23 "BSE is seeking certification in order to provide
24 services that BSE will not" -- is that a typographical
25 error?

1 A Find the question. It sounds like it is.
2 Reading the right response, it says "BellSouth BSE is
3 seeking certification in order to provide services
4 that BST will not." Is that what you're reading from?

5 Q Yes. But what I'm reading says "BSE will
6 not."

7 MR. EARLY: That may have been my mistake.

8 THE REPORTER: Who is this? Who is
9 speaking?

10 MR. EARLY: This is Gary Early. When that
11 response was sent to me I had to change some of the
12 headings and that may have been my error. And I
13 expect Mr. Scheye is reading off of his copy.

14 WITNESS SCHEYE: That is correct. I'm
15 reading from the copy I thought was filed.

16 Q That's fine. Can we get a corrected one,
17 Mr. Early?

18 A Sure.

19 A It should read "that BST will not."

20 Q Thank you.

21 In that answer to the interrogatory you
22 discuss different services that will be provided.
23 Will BSE be offering services that BST, the ALEC, does
24 not provide?

25 A Yes.

1 Q Will BSE be offering services that BST, as
2 an ILEC, does not provide?

3 A Yes.

4 Q Can you tell me what those services will be?

5 A Sure. Probably the simplest is to use an
6 example. The two attributes of the services that we
7 plan to offer, one is that they will be integrated
8 packages, so while local exchange service will
9 certainly be with part of it, it is not the sole
10 portion of a service. So, for example, it might
11 include entertainment services, cellular services,
12 Internet-type services. So that's one difference.

13 Secondly, we are seeking certification and
14 have been approved in states outside the BellSouth
15 region so we plan to provide multistate services to
16 customers who may have locations in one of our nine
17 states, or multiple parts of our nine states, but also
18 have locations outside of that area where we can serve
19 them through a single supplier. BST is not capable of
20 doing that type of arrangement with a particular
21 customer.

22 Q Will BSE be providing any services that
23 BellSouth Telecommunications cannot provide?

24 A Yes. The multistate-type services. BST is
25 not certified beyond the nine-state region. We are

1 certified, for example, in Ohio, Virginia, Indiana,
2 Illinois, and are still seeking certification in
3 several other states. So we would be able to provide
4 services to those locations as well and BST could not
5 do that.

6 Q BST as the ILEC could not do that or BST as
7 the ALEC could not do that?

8 A Neither, since neither -- none of the
9 BellSouth entities have sought certification outside
10 of the nine-state area.

11 Q So it's the geographic limitation?

12 A It's the geographic limitation is certainly
13 critical. Secondly, the integration of the various
14 non-telecommunications services into a singular
15 package also will distinguish us.

16 Q I think you have answered my next question
17 partially, but if you don't mind a little bit of
18 repetition. How exactly will BSE operate differently
19 from BellSouth Telecommunications ALEC?

20 A Well, BellSouth, the ALEC that we, BST has,
21 or they have, is basically offering services in what
22 I'll call adjoining independent company territory.

23 For example, today Winter Park, Florida,
24 which is Sprint territory, the ALEC operates there, so
25 a customer who might be in Winter Park and the BST

1 portion of it, in Orlando, can get their service from
2 a single carrier. And they don't offer any packaging
3 as far as I know.

4 By contrast, one, we will be a packager or
5 an integrator of services, and two, our geographic
6 range we hope will be much broader. So a customer,
7 for example, in BST's territory in Orlando, Winter
8 Park, which is Sprint's territory in Florida, as well
9 as let's say a location in Texas and Indiana, we would
10 be able to serve all of those customers needs because
11 we will be certified, hopefully, in all of those
12 locations, while neither BST nor the ILEC or ALEC
13 would have that capability.

14 Q Is it your understanding that BST as an ALEC
15 cannot serve out of the nine-state area?

16 A No. They can -- I assume they could seek
17 certification like we are, but BellSouth, as a
18 corporation, has chosen to use the CLEC as the means
19 by which we expand our reach and do our integration.
20 It's not that they couldn't. It's just that the focus
21 that we've put on it is through an entity such as
22 ourselves who could focus on those type of services.

23 Q Would you anticipate that the two ALECs,
24 that is the BSE and the BST, would be competing for
25 customers?

1 A I think it's certainly conceivable that we
2 could compete with both BST, the ILEC, and BST, the
3 ALEC, for individual customers. Again, and let me use
4 a simple case -- again, this is an example. This is
5 not a real case.

6 Let's assume that there was a hospital that
7 had locations in Winter Park, Florida, and Orlando,
8 that BST, through the ILEC and its ALEC could serve.
9 But let's assume that hospital was also a part of a
10 bigger chain of hospitals, hospital locations in two
11 or three other states, Texas, Indiana, Illinois, just
12 for hypothetical purposes.

13 Between BellSouth Communications, between
14 the ILEC and ALEC, could serve the Winter Park and
15 Orlando locations. But if that hospital wanted one
16 entity to provide all their services, the only
17 BellSouth entity that would be in a position to do
18 that, once we are certified, would be BellSouth BSE.
19 So in a sense we would be competing for those
20 locations, possibly in Florida, but in order to
21 provide a broader base of services to that particular
22 customer.

23 Q And how is it that customers would be able
24 to distinguish between these various -- between the
25 BST ILEC, the BST ALEC, and BSE?

1 A Well, I mean two basic differences. One,
2 the services we offer will be different, and secondly,
3 the name is different. So they will be able to
4 distinguish both on the services we offer and the name
5 under which we operate.

6 Q Will BSE be using the name "BellSouth" to
7 market its services?

8 A It will be part of our name, yes, certainly.

9 Q Okay. And will you be using the BellSouth
10 logo in marketing services?

11 A Yes. Essentially just like every other RBOC
12 does or can.

13 Q And will there be any disclaimer or any
14 notification placed on any marketing materials or near
15 the logo that would distinguish BellSouth BSE from
16 BellSouth Telecommunications?

17 A We're not envisioning the need for any kind
18 of disclaimer. We believe our name on our products
19 will be distinguishable in the marketplace. Common
20 practice today would indicate that companies who offer
21 varieties of products under similar names do not cause
22 customer confusion. Therefore, we will assume that we
23 will not cause any kind of confusion by offering those
24 products.

25 Similarly, as an example, we currently have

1 BellSouth Mobility and it provides wireless service.
2 It uses the BellSouth name, it uses the logo and all
3 those types of things. And there's no confusion of
4 whom BellSouth Mobility is and what their products
5 are. We also have BellSouth entertainment in a
6 limited fashion, and, again, there's no confusion. So
7 the fact we use the BellSouth name we don't believe is
8 in any way going to confuse customers as to what they
9 are purchasing or who they are purchasing it from.

10 Q I'm going to move back to the Staff
11 Interrogatory No. 1 and your response. In that
12 response you rely on Section 272 of the
13 Telecommunications Act to establish that the Act
14 contemplates ILEC affiliates providing local exchange
15 services, even in the same area that the ILEC is
16 serving. Is that a fair summary or restatement of
17 what you stated in the response?

18 A Yes.

19 Q Is it your understanding that 272 applies to
20 BSE?

21 A It would not technically apply to us today
22 since we have not sought long distance certification.
23 If we did seek and obtain long distance certification,
24 then potentially we would be considered a 272
25 subsidiary. But the conditions that are laid out in

1 that particular section which deal with
2 nondiscrimination and the relationship between the
3 incumbent and its affiliates would be equally
4 applicable to us even if we did not apply, or
5 provide, I should say, long distance service.

6 Q Can you restate that last --

7 A I'm sorry. Yes. The provisions of
8 nondiscrimination and the provisions through which the
9 incumbent will deal with its affiliates would be
10 equally applicable to us whether or not we applied --
11 I'm sorry -- whether or not we provided long distance
12 services.

13 Q You're saying that the nondiscrimination
14 clauses in 272 apply to BSE whether or not you're
15 providing long distance services?

16 A Yes. Because some of the provisions, for
17 example, would say that if BST provides something to
18 its affiliates in the way of local exchange service it
19 cannot do so in a manner any differently than it
20 applies it or provides it to either itself or to other
21 nonaffiliates. We're still an affiliate even though
22 we're technically not providing long distance service.
23 So that provision would be equally applicable to us so
24 that they could not discriminate in our favor.

25 Q And in your opinion are BST and BSE in

1 compliance with the provisions of 272?

2 A Are BST and BSE in compliance with the
3 provisions of 272? In the terms of the
4 nondiscrimination, do you mean?

5 Q Well, that was a broad question covering all
6 of 272, you know, to the best of your knowledge.

7 A BST doesn't have requirements under 272.

8 Q Okay.

9 A The affiliates have the requirements. BST
10 has the requirements on how it deals with those
11 affiliates. And from that perspective, yes, BST is in
12 compliance, to the best of my knowledge, at least as
13 they deal with us. I can't speak for BST dealings
14 with anyone else. And we are in compliance in the
15 terms of we have received nothing from BST that would
16 cause us to be favorably treated any differently than
17 any other CLEC. So I think the answer is yes even
18 though the question is a bit broad.

19 Q Okay. I apologize for the question being so
20 broad.

21 Do you all plan to provide long distance
22 service in the future?

23 A Once BellSouth is approved for long
24 distance, yes, we do plan to provide long distance
25 services.

1 Q Do you plan to participate in any
2 manufacturing activities?

3 A No, we do not.

4 Q Do you plan to provide any interLATA
5 information services other than electronic publishing
6 and alarm monitoring?

7 A We could conceivably. Once again, approved
8 to do those things.

9 Q And when you were discussing
10 nondiscrimination a minute ago, would it be correct to
11 say that you believe that there are nondiscrimination
12 safeguards in place to ensure that there is no
13 discrimination between BSE and BST?

14 A Absolutely. Between the Act and the FCC
15 rules I think they are quite clear.

16 Q Are there any specific safeguards that are
17 in writing that exist between BSE and BST?

18 A You mean in writing between the two
19 entities?

20 Q Uh-huh.

21 A No, there's no specific document such as
22 that. Again, we rely on the Telecom Act and the FCC
23 rules as our guidance as to what we're required to do.

24 Q And the Act, Section 272(C) that discusses
25 nondiscrimination safeguards?

1 A I don't have the Act in front of me but I
2 accept that, yes.

3 Q I'm looking at it. It states that a Bell
4 operating company may not discriminate between that
5 company or affiliate, or any other entity in the
6 provision, procurement of goods and services and
7 facilities and information.

8 A Yes.

9 Q Is there -- how do you -- is there any
10 concrete way for you all to establish that those
11 safeguards are, in fact, in place?

12 A I guess I can swear to them under oath.

13 Q Are there any tangible measurements in
14 place? Any, you know --

15 A We could provide you a measurement of all of
16 the times we've violated the FCC rules and it would be
17 zero. I don't know how else I can tell you that we
18 are performing under the requirements of the FCC rules
19 in the Telecom Act. I'm certainly more than willing
20 to stipulate to that and to swear to it under oath. I
21 don't know any other means for providing that to you
22 but --

23 Q That's fine. I just wanted to know if you
24 had any internal controls, or anything -- you know,
25 any special recordkeeping or any method of being able

1 to show that if it were necessary.

2 A The only thing I will call -- and I wouldn't
3 call it a special control -- is we make sure that any
4 employee or anybody who's operating on our behave --
5 for example, consultants -- who we are and what
6 provisions we are under and what the guidelines are
7 and requirements are and that they do not violate
8 them. We make sure every employee or contractor we
9 have understands that. But we don't have anything --
10 I guess, I'm not sure I can think of something that we
11 could put in place to provide any greater assurance
12 other than that we have a full understanding of those
13 requirements, we abide by those requirements. We have
14 people here who are fairly familiar with the FCC
15 rules. It is not unusual for a company to have to
16 abide by FCC rules. We had to do it as BST. We had
17 to do it when I was at AT&T to make sure we stay in
18 compliance with those rules, so we, in some cases,
19 rely on our own experience on how to do that.

20 Q Are there any officers, directors or
21 employees of BSE who are also employed by or serve as
22 an officer and/or director of BST?

23 A No.

24 Q Also in Section 272 there's a requirement
25 that the BOC affiliates conduct all transactions with

1 the Bell operating company at arm's length to reduce
2 those transactions to writing and make them available
3 for public inspection.

4 A Okay. Again, I don't have the Act in front
5 of me but I'll accept that's what it says.

6 Q What plans does ESE have for making its
7 transactions available for public inspection?

8 A The only transactions we envision will be
9 signing an agreement with BST in the same manner that
10 any other CLEC signs an agreement. That agreement is
11 provided to the Commission for approval, and then is
12 public to all carriers. We don't envision that we
13 would have any other types of agreements. If we were,
14 they would probably come under BST's obligations to
15 make those public. For example, under the rules of
16 nondiscrimination, if BST makes an offering to some
17 CLEC, I believe it has to make that transaction
18 publically, and they would be required to put that on
19 the Internet, or make it public in that fashion.
20 Similarly, if there's an issue about how that could be
21 controlled or looked at, the respective state
22 Commission, certainly the Florida Commission, has the
23 right to audit our books or provisions to make sure
24 we're in compliance.

25 Q I'm going to shift gears just a little bit.

1 What is BSE's source of capital?

2 A BellSouth Corporation. I just burned my
3 lip, so if I just sounded funny. BellSouth
4 Corporation. Sorry.

5 Q And is BellSouth Telecommunications the
6 source of any capital or BSE?

7 A No, it is not.

8 Q And would BSE be able to operate financially
9 without capital from BellSouth Corporation?

10 A No. In our business, in our company all new
11 ventures are initially capitalized by the corporate
12 parent. That's the way we go into business within
13 BellSouth. So all our new ventures are capitalized in
14 this fashion.

15 Q Can you provide us with a -- any kind of an
16 exhibit, late-filed, that shows BSE's financial
17 statement?

18 A I believe we provided in response -- our
19 financial statement for the period in response to
20 either the FCC or the Commission Staff. I'm not sure
21 what else you were looking for, so if you would be
22 more explicit I'd be happy to.

23 Q Well, let us -- I guess I need to go back
24 and ask you about the -- what you actually filed in
25 the production of documents. I'm looking at something

1 that says "BellSouth Corporation set of books.

2 Current period February '98."

3 A The heading says "BellSouth Corporation set
4 of books" but it says "company is CLEC BellSouth BSE"
5 so the numbers you are seeing are our numbers.

6 Q They are all BSE numbers?

7 A Yes. I would hope if this was the corporate
8 numbers, that the revenues would not be zero, or we
9 couldn't afford this phone call. No, these are just
10 BellSouth BSE numbers.

11 Q There are three pages in the PODs. All
12 three of those pages represent BSE numbers only?

13 A Yes. That's correct.

14 Q Okay. Are BSE employees responsible for
15 maintaining the accounting books and records?

16 A Yes.

17 Q And are these employees full-time BSE
18 employees?

19 A Yes.

20 Q Are any of the services contracted?

21 A No.

22 Q Does BSE have its own billing system?

23 A Not at this point.

24 Q Will BSE have its own billing system?

25 A We will either develop our own billing

1 system or outsource that to other entities. We have
2 not made that decision.

3 Q Would those outsourced other entities be
4 Bell-related companies?

5 A Conceivably they could be Bell-related
6 companies. We would not envision BST being one of
7 them, however.

8 Q Has BSE placed any orders for services?

9 A No.

10 Q No test orders have been done?

11 A No.

12 Q Have no orders been done in the other states
13 where you were certificated?

14 A Correct. We have not placed any orders
15 anyplace.

16 Q Do you have plans related to interfaces when
17 you do begin to place orders?

18 A I'm sorry, do we have plans to have
19 interfaces?

20 Q Do you have any plans that identify specific
21 interfaces that will be used when you place orders?

22 A If you're talking about the interfaces of
23 the incumbent local exchange carriers, yes, we have
24 information on GTE, BST, Ameritech, Bell Atlantic and
25 Southwestern Bell right now that we're currently

1 analyzing the interfaces to those various incumbents.

2 Q I was actually referring more specifically
3 to the LENS or the EDI?

4 A Right. That's the BST interfaces. We're
5 looking at those. We're looking at GTE's comparable
6 interfaces. We're looking at Bell Atlantic,
7 Ameritech's and Southwestern Bell's as well.

8 Q And you will chose one from among those?

9 A No. Each one uses a different set of
10 interfaces. LENS, I believe, is unique to BST.
11 Ameritech has a different system. GTE has a different
12 system, et cetera. They are not all identical or they
13 certainly don't have the same names. There's
14 similarity of the systems but they are different
15 interfaces for different incumbents.

16 Q And so for each incumbent you would use a
17 different one?

18 A Yes. You have to. And they may be similar,
19 not identical.

20 Q And this would also apply to preordering?

21 A Yes.

22 Q If BSE is operating in BST's service area,
23 how will BSE get customer service records from BST?

24 A In the same manner as any other CLEC. BST
25 offers it on an automated fashion. Once you have

1 anticipate doing that?

2 A The same way as any other CLEC.

3 Q Do you know whether you would be using fax
4 transmissions for that or whether you would be using
5 what I believe is called EXACT.

6 A We haven't made that decision in our early
7 plans. Right now we're primarily focusing on resale
8 and not so much on unbundled network elements. But,
9 again, we would probably use either fax or whatever
10 the electronic means are, whether it be EXACT or a
11 comparable system.

12 Q Recognizing you may not have gotten this far
13 as well on this question, how will BSE request
14 maintenance and repair services from BST?

15 A Through the same systems capability as any
16 other CLEC. I believe -- and the reason -- because
17 we're trying to keep in mind various systems for
18 various companies.

19 BSE has an electronic capability for
20 maintenance on a resale basis. We would presumably
21 use that. Some of the other incumbent LECs, you'd
22 have to do it -- would be a phone call or manually so
23 we would use whatever is available to the CLECs in the
24 various territories.

25 Q So if you were doing that for BST you would

1 be using the TAFI?

2 A Yes. TAFI is the electronic means that BST
3 has available. Some of the other incumbents have the
4 similar type of electronic arrangements. Others you
5 have to do it via phone.

6 Q Via phone? Was that what you said?

7 A Yes. Telephone call.

8 Q Okay. Have BSE and BST agreed to any
9 performance measures for preordering, ordering,
10 provisioning, maintenance and repair and/or the return
11 of firm order confirmations?

12 A No. Other than in a signed agreement we
13 have for resale in Kentucky, and it has the same
14 provisions in there available to all other CLECs.

15 Q And that is -- I believe you provided us
16 with a copy of that?

17 A Yes, that's correct.

18 Q In the production of documents request?

19 A Correct.

20 Q And Kentucky is the only state in BST's
21 territory that you all have a agreement existing?

22 A Correct.

23 Q Does BSE have access to RNS, DOE, or any
24 other BellSouth interface or database that non-BOC
25 affiliated ALECs do not have the same access to?

1 A I think the answer to that question is not,
2 but there were so many negatives in there.

3 The answer is that we do not have access to
4 those systems. And I believe the way to respond is
5 no. But I'm not sure if there was two negatives in
6 there or not. But we do not have access to those
7 systems.

8 Q It wasn't a double negative but there was a
9 non-BOC affiliate; just 1.5 negatives.

10 Does BSE have a collocation agreement with
11 BST?

12 A No.

13 Q Does BSE have any proposed or executed
14 agreements with BST related to BSE's serving in
15 Florida?

16 A I'm sorry, what was the word before Florida?

17 Q In.

18 A In Florida?

19 Q Yeah.

20 A No.

21 Q Okay. Do you anticipate that when you do
22 enter into an agreement with BST to serve in Florida,
23 that the agreement will be substantially the same as
24 the Kentucky agreement?

25 A Yes. It should be either -- the only

1 difference would be the Florida Commission may have
2 ruled differently in some terms and conditions in the
3 discount rates than Kentucky did. Other than that it
4 would be identical.

5 Q And that would also include what is
6 identified in the POD as Section 4(E) which prohibits
7 BSE from using the BellSouth name or trademark in the
8 Kentucky agreement?

9 A No. We're not prohibited as a BellSouth
10 corporate entity from using the BST trademark.

11 Q Okay. We need to go back. I need to look
12 at this just one second.

13 On Page 6 of the Kentucky agreement,
14 Paragraph 4(E)?

15 A I have to find it. Paragraph 4(E). "No
16 patent, copyright, trademark or other proprietary
17 right is licensed, granted or otherwise transferred by
18 this agreement."

19 Q Right.

20 A "BSE is restricted, prohibited from any use
21 including, but not limited to, sales, marketing
22 advertising of any BellSouth name or trademark."

23 Q Right.

24 A We are, as a BellSouth entity, allowed to
25 use the BellSouth name and logo.

1 Q So what does that paragraph mean?

2 A The paragraph means that BST is not granting
3 us any rights, nor are they licensing or transferring
4 anything to us from this agreement. Whatever rights
5 we have in use of the name BellSouth or the use of the
6 logo would come from our being an affiliate of
7 BellSouth Corporation.

8 Q Okay. Actually, I think we need to back up
9 just a little bit and go ahead and identify the
10 production of documents.

11 We will go ahead and identify that as
12 Exhibit 1 of the deposition so we have a complete
13 document, and we'll mark the Staff's Interrogatory
14 No. 1 as Exhibit 2.

15 THE REPORTER: We have a late-filed exhibit,
16 so why don't we continue with the numbering.

17 MS. BEDELL: Exhibit 2 will be the
18 Production of Documents. Exhibit 3 will be Staff's
19 First Set of Interrogatories. And that way we won't
20 be confused if we proceed with more documents later in
21 this proceeding.

22 (Deposition Exhibit 2 marked for
23 identification.)

24 (Deposition Exhibit 3 marked for
25 identification.)

1 Q (By Ms. Bedell) Does BSE have any of its
2 own switching equipment or facilities?

3 A No.

4 Q Do you have plans to acquire any switching
5 equipment or facilities?

6 A Not at this time.

7 Q And do you know when or about when BSE will
8 file a price list with the Florida Commission for
9 approval?

10 A I don't recall the requirements of the
11 Florida -- I think we have to file it 30 days before
12 we go into business, if memory serves me correctly.
13 If my memory is correct, we will do it at that point
14 in time. If that is incorrect, we will do it in
15 whatever time frame is required by the rules.

16 Q Maybe I need to rephrase my question and ask
17 you when you would anticipate feeling like you needed
18 to file those, whatever the due date might be. Like
19 when you plan to file those in anticipation of
20 actually doing business here?

21 A It's a little difficult for me to give you a
22 date as to when we are going to go into business in
23 Florida. One, because I'm not fully certified yet, so
24 right now our emphasis is getting the certification
25 completed and then to go into business as quickly

1 thereafter as we can.

2 I believe in the state of Florida the
3 Commission anticipates hopefully an affirmative rule
4 in June or July of this year to certify us. We're
5 still seeking certification of some of our other
6 states as well. Once we're able to obtain all of
7 those then we will be better able to figure our
8 overall implementation plan.

9 Another piece of that is timing of when
10 BellSouth as, a corporation, is allowed into the long
11 distance business. So those factors will play into
12 it.

13 Q Okay. So just having a certificate in
14 Florida does not mean that you are going to
15 immediately start operating in Florida?

16 A Again, I don't have a specific date.

17 Q Right.

18 A We believe in our viewpoint, given the
19 amount of intervention that has occurred, to seek and
20 obtain the certification in all of our states and then
21 make our final implementation plans based upon that.
22 So we would hope it would not be that long after we
23 obtain the certification, but I cannot provide you a
24 specific date.

25 Q Okay. I guess I was really just asking if

1 you were waiting until you could put together the
2 whole package, whatever the whole package might be for
3 you all in terms of serving a broader national area or
4 a broader regional area.

5 A I'd like to say that we will but given that
6 long distance is a piece of that package, and when we
7 obtain long distance authority is certainly out of my
8 control. That's one of the balancing factors.

9 Q Okay.

10 A We would hope that we would have long
11 distance certification quickly as well, and we can
12 mesh all of those things together. If that's further
13 delayed we have to make some alternative plans.

14 Q I need to go back and revisit the
15 nondiscrimination safeguards that we discussed
16 generally a few minutes ago, if you don't mind.

17 A Sure.

18 Q When I was asking you about the safeguards I
19 believe you stated that, you know, that all of the
20 employees and contractors should know, are advised
21 about the nondiscrimination restrictions. Are there
22 any written instructions for employees and/or
23 consultants?

24 A No, not so far. We're small enough that we
25 can do it verbally. And we have done it in that

1 fashion. So we have not documented it, you know, with
2 a particular piece of paper.

3 MS. BEDELL: Okay. That is the end of
4 Staff's questions. I don't know if the other parties
5 have questions, if we want to do those, or --

6 WITNESS SCHEYE: Do I have a choice?

7 MS. BEDELL: No, I don't know that you do.

8 WITNESS SCHEYE: Okay. Just clarifying.

9 MR. MCGLOTHLIN: Take a few minutes break?

10 MS. BEDELL: Do you want to take a
11 ten-minute break?

12 WITNESS SCHEYE: It's up to you all,
13 whatever pleases you.

14 MR. MCGLOTHLIN: I could pull some notes
15 from your questions.

16 MS. BEDELL: Let's take a ten-minute break.

17 WITNESS SCHEYE: Is it all right to just
18 stay on the line?

19 MS. BEDELL: Yes.

20 (Brief recess.)

21 - - - -

22 MS. BEDELL: We're ready to go back on the
23 record if you all are.

24 WITNESS SCHEYE: That's fine.

25 MS. BEDELL: I think we'll start with the

1 folks here in this room. We'll start with Joe
2 McGlothlin.

3 **EXAMINATION**

4 **BY MR. McGLOTHLIN:**

5 Q Hello, Mr. Scheye. It's Joe McGlothlin for
6 the Florida Competitive Carriers Association.

7 I want to first turn to some of the
8 questions and answers from earlier today.

9 I took some notes as you were responding to
10 questions concerning what BSE would propose to do in
11 BellSouth ILEC service area if it receives the
12 certificate it requested. And I heard you say that
13 BSE would propose to provide some integrated services
14 packages that would assemble local, cellular and
15 Internet types of services, and also provide those in
16 multistate areas. Is that a correct restatement of
17 your answer?

18 A Yes.

19 Q In addition to those services, would BSE
20 propose to offer local service only to customers who
21 want only that?

22 A Not specifically, we would not, because we
23 would be offering packages. If the state commission's
24 rules require that we offer a local-only, we will
25 certainly do that in accordance with their rules.

1 Q In response to another question you said the
2 BellSouth Telecommunications ALEC is not certified
3 beyond the nine-state area but acknowledged that it
4 could seek certification outside of that nine-state
5 area; is that correct?

6 A As far as I know it's not precluded from
7 doing so.

8 Q Okay. Would the BellSouth
9 Telecommunications ALEC also assemble and integrate
10 cellular and Internet services with local services?

11 A That's not what it's currently doing.

12 Q Could it?

13 A I guess it could do anything, yes, if it
14 wanted to, but that's not how BellSouth has chosen to
15 provide those services.

16 Q Is there anything that BellSouth BSE plans
17 or proposes to do in terms of business activities in
18 the BellSouth ILEC area that the BellSouth
19 Telecommunications ALEC could not do?

20 A I don't believe the BellSouth ALEC operates
21 in BST's territory.

22 Q Is that by way of limitation of a
23 certificate?

24 A I believe it only holds a certificate in
25 Florida right now. And I believe it's a statewide

1 certificate. But it is used for out-of-region only
2 right now.

3 Q All right. With respect to the extent of
4 its authority, is there anything that BellSouth BSE
5 proposes to do that the BellSouth Telecommunications
6 ALEC cannot do?

7 A Candidly, I don't know how the BellSouth BSE
8 ALEC, since it is part of BST, could operate within
9 the BST territory. It would seem to be one and the
10 same entity at that point.

11 Q Well, I may agree with you. But in terms of
12 the authority of a certificate, will you answer the
13 question?

14 A I don't believe there's any limit based on
15 the certificate.

16 Q So with respect to the ability of the two
17 entities to perform services, would you agree with me
18 that it appears that BellSouth Communications'
19 emphasis on BSE as opposed to the BellSouth
20 Telecommunications ALEC is a matter of choice rather
21 than necessity?

22 Q I don't know that that's the case. I don't
23 know that we know all the rules about what BST can
24 provide in terms of full integration of services, et
25 cetera. So I guess we do know, at least, that BST

1 entity, long distance services, those types of things,
2 I do believe that there will be a significant
3 difference in the capabilities of the two entities.

4 Q And what are they?

5 A Well, to take one example, BST could not
6 provide long distance services. It is limited by the
7 joint marketing restriction as to what it can do in
8 terms of long distance. We, as a CLEC, could also
9 seek and obtain interexchange capability or
10 certification, and provide a fully integrated package
11 that would include long distance services. So there
12 is a distinction.

13 Secondly -- and that's not a matter of
14 choice; that's a matter of law as best I can tell.
15 The fact that we have chosen to focus our ability to
16 integrate and to go beyond the BellSouth region we
17 think is a more responsible way for BellSouth to do
18 that right now, to have that focus on a separate
19 entity, rather than to do that within BST.

20 Q I believe in your rebuttal testimony you
21 took the position that the Commission should not
22 impose the requirements applicable to ILECs under the
23 '96 Act to BellSouth BSE; is that correct?

24 A Yes, that's correct.

25 Q Now, looking again at the business

1 activities BellSouth BSE proposes to engage in if it
2 receives a certificate, you describe the integrated
3 services of local, cellular and Internet, and you
4 describe the desire to provide those on a multistate
5 basis.

6 Looking first at the proposal to integrate
7 local, cellular, Internet services, is there anything
8 in the nature of the requirements imposed by the '96
9 Act on ILECs that if applied to BSE, would prevent it
10 from doing that?

11 A If applied to BSE?

12 Q Yes.

13 A I'm not sure I follow the question.

14 Q All right. You agreed earlier that -- in
15 your testimony you took the position that the
16 Commission should not impose the conditions applicable
17 to ILECs pursuant to the '96 Act on BellSouth BSE,
18 correct?

19 A Yes. Because we're not an ILEC.

20 Q And I'm trying to ascertain whether if those
21 conditions were imposed on BSE, there would be any
22 impairment of its proposed business plan?

23 A Yes.

24 Q And looking at the proposal to employ
25 integrated services, local, cellular and Internet, if

1 the ILEC requirements were also required of BellSouth
2 BSE, would BellSouth BSE be prevented from integrating
3 those services?

4 A Yes.

5 Q In what way?

6 A I mentioned earlier that BST, as an
7 incumbent, jointly market long distance services, and
8 it cannot be the provider of a long distance service.
9 We anticipate integrating long distance into our
10 package. So the answer to your question is yes, we
11 would be limited.

12 Q Looking specifically at the requirement in
13 the '96 Act that an ILEC calculate a wholesale
14 discount in a prescribed way, if that were a condition
15 of BSE's certificate, would that prevent BSE from
16 providing the integrated services?

17 A It would prohibit me from having a viable
18 business, so yes.

19 Q How would it do that?

20 A Well, it appears if I was required to
21 calculate some sort of discount, since I don't have a
22 service I'm only buying the same service that anybody
23 else can buy at the same discount, that it wouldn't --
24 would appear to be nonsensical for me to have to
25 discount something that is not mine, for which I would

1 have no avoided cost. So to force me to sell the
2 service at a lower price, I would, by definition, have
3 to be losing money.

4 Q If BellSouth BSE were to receive their
5 certificate in the form it requests, will there be any
6 legal requirement that BellSouth BSE calculate its
7 retail price in a particular way?

8 A No.

9 Q Would the retail price that BellSouth BSE
10 sets necessarily be equivalent to the retail price of
11 BellSouth Telecommunications?

12 A No.

13 Q What is the -- in terms of the management of
14 BellSouth BSE, what would be the relationship between
15 BellSouth BSE and its parent?

16 A We're an affiliate, subsidiary of BellSouth
17 Corporation.

18 Q In that capacity will BellSouth BSE be
19 answerable to the parent in terms of the parent
20 prescribing business objectives and business plans?

21 A The parent doesn't typically prescribe
22 objectives to its subsidiaries. It controls the purse
23 strings, obviously, so it does have that control over
24 all of its subsidiaries.

25 Q Will the purpose of BellSouth BSE be to

1 provide value to the shareholders of the parent?

2 A Yes. We hope so.

3 Q And will the activities of BellSouth BSE be
4 designed to do that?

5 A That's our intent, yes. If certified in the
6 manner that we're requesting we believe we can provide
7 value to the shareholders.

8 Q And with respect to the overall relationship
9 between the parent and its various subsidiaries, will
10 those subsidiaries be managed in order to provide the
11 maximum value to the shareholders of the parent?

12 A That would be the intent of the corporation,
13 yes.

14 Q So in terms of the success of the endeavor,
15 that would be measured more from the profitability of
16 the parent as opposed to the profitability of BSE
17 individually?

18 A No. That's totally incorrect.

19 Q How is it incorrect?

20 A They will gauge us on our particular
21 profitability or our nonprofitability, just like they
22 do their other subsidiaries, in determining whether we
23 stay in business or not.

24 Q Assume that a particular business activity
25 results in a detriment when viewed from the standpoint

1 of BSE on a stand-alone basis, but on an overall basis
2 advances the parent shareholders, would the parent
3 company approve or disapprove of that activity?

4 A I can't imagine what that transaction is, so
5 the question in my mind is totally speculative and I
6 can't speak for how the corporate parent might react
7 to it.

8 Q Well, would you expect it to react from the
9 standpoint of overall shareholder value?

10 A Again, you're giving me what I find a
11 totally speculative and illogical question. And I
12 can't speak to how the corporation might react to that
13 kind of circumstance. I just don't envision it
14 occurring. Don't know how they would react to it.

15 Q Do you find that the idea that the parent
16 company would manage its various operations in order
17 to maximize shareholder value to be illogical?

18 A No. I think I indicated it's the intent of
19 the corporation to maximize shareholder value.

20 MR. McGLOTHLIN: Those are all of the
21 questions I have.

22 EXAMINATION

23 BY MR. ELLIS:

24 Q Mr. Scheye, my name is John Ellis, on behalf
25 of Teleport Communications. I have a few questions.

1 To follow up on some of the questions that
2 had been asked specifically, one concerns the number
3 of employees BSE, and you mentioned there were some
4 consultants. Can you tell us who those are?

5 A No, sir. We hold that information
6 proprietary.

7 Q The question that Mr. McGlothlin just asked
8 concerned what services that BSE could provide that
9 BST ALEC could not, and your answer, as I noted, it
10 was long distance. But isn't it the case that BST
11 certainly is seeking certification to provide long
12 distance service and that BSE's intent to provide long
13 distance service is only after BST receives that
14 certification.

15 A BST is not seeking certification to provide
16 long distance. It's not allowed to provide long
17 distance services.

18 Q Well, in your application under Section 271,
19 doesn't BST seek to provide long distance services?

20 A Seek certification. It is not allowed under
21 the Telecom Act of the FCC rules to provide long
22 distance services.

23 Q Let me come back to that one in a minute.

24 In BSE's application for authority to
25 provide local exchange service in Florida, in response

1 to question 16(C) of the application at Page 7, BSE
2 states it intends to use its own facilities as
3 appropriate, along with facilities of incumbent local
4 carriers and competitive access providers, to provide
5 local exchange, telephone and switched access service.

6 Is it correct that BSE does not now, or at
7 the time of the application, or now, own any
8 facilities to provide that service?

9 A Correct.

10 Q Have any monies been budgeted for BSE to
11 develop its own facilities to provide that service?

12 A No.

13 Q By the phrase "develop its own facilities,"
14 does BSE intend to include the purchase of facilities
15 researched and developed by others?

16 A Yeah, I would think so.

17 Q You don't have any plans to develop your own
18 other than by purchase from others?

19 A Correct. Switch vendors and those types of
20 people.

21 Q Okay. And what are BSE's plans to budget
22 for and purchase these facilities at this time?

23 A There are no plans at this time.

24 Q Is there any department or division of BSE
25 that has responsibility for BSE's development of its

1 own facilities to provide that service?

2 A No, sir. Until we decide that we want to
3 explore that further we have no resources to do that.

4 Q Is there any person at BSE that would be
5 responsible for that?

6 A Again, since there's no effort underway,
7 there would be nobody responsible for it.

8 Q Okay. In that same answer to question
9 No. 16(C) in BSE's application, it's stated that it's
10 BSE's intention to augment its service offerings in
11 the future, adding new services as they become
12 available from the ILECs, and as BSE uses its own
13 facilities to provide services.

14 Who is responsible at BSE for developing
15 recommendations to add new services as they become
16 available from the ILECs?

17 A Right now all of us who are involved in it
18 would participate in that. There wouldn't be any one
19 individual who might have that responsibility.

20 Q To whom would BSE go to approve capital
21 appropriations for development or purchase of new
22 facilities?

23 A Who would we go to within BellSouth do you
24 mean?

25 Q Yes.

1 A Our budgeting process would go through
2 BellSouth Corporation. They would have to approve
3 whatever the expenditure was.

4 Q Who is that at BellSouth Corporation?

5 A Mr. Dykes is the chief financial officer so
6 he and his organization would ultimately approve those
7 types of things.

8 Q In response to one of Ms. Bedell's questions
9 I believe the question was "Are there any officers,
10 directors or employees of BSE who are also officers,
11 directors or employees of BST?" Your answer was no.
12 I thought I noted that Mr. Earl Mauldin was a
13 director. He is the only director, I guess, of BSE.
14 Is he not also still an executive officer of BellSouth
15 Telecommunications?

16 A No, sir, he's not an officer of BellSouth
17 Telecommunications.

18 Q Is he an officer of BellSouth Corporation?

19 A Yes, he is.

20 Q Has BSE gone into business in any state, I
21 guess in Kentucky where you have an agreement
22 negotiated with BellSouth Telecommunications.

23 A No, we have not.

24 Q It's your plan not to go into business in
25 any states until you've completed the certification

1 process in all states to which you intend to apply for
2 certification?

3 A That's not necessarily the case. We may go
4 into business before we've completed the process.

5 Q At the time of the application to Florida,
6 the application states that you had applied to three
7 other states and those were, I believe, Indiana,
8 Illinois, and Ohio. In how many states has BSE
9 applied for qualification currently?

10 A Let me see; I have to count them up. The
11 nine BellSouth states, one of which is Florida. In
12 addition, it's Arkansas, California, Colorado, Hawaii,
13 Illinois, Indiana, Massachusetts, Michigan,
14 Missouri -- I'm sorry, exclude Massachusetts.

15 Q Do you have any plans to apply for
16 certification in any other states at this time?

17 A Yes. I have a few more states but it's
18 probably about -- let me just give you a number. It's
19 easier. Approximately 15 states outside the region.
20 And I'm sorry, what was your last question, sir?

21 (Thereupon, the question appearing on Lines
22 15 and 16, was read back by the reporter.)

23 A Yes.

24 Q What are those plans?

25 A Currently the one state, or several states,

1 we have not applied for that we plan to soon in
2 California, probably Michigan and Massachusetts.

3 MR. ELLIS: Those are all the questions I
4 have. Thank you.

5 MS. BEDELL: Ms. Rule, do you have any
6 questions?

7 MS. RULE: No, I don't. Thank you.

8 MS. BEDELL: Mr. Bond?

9 MR. BOND: Yeah, I have just a couple.

10 EXAMINATION

11 BY MR. BOND:

12 Q Good morning, Mr. Scheye. Tom Bond on
13 behalf of MCI. How are you doing?

14 A I'm fine. How are you?

15 Q Just fine.

16 In your response to Staff's First Set of
17 Interrogatories you said that BSE is seeking
18 certification in order to provide services that BST
19 will not?

20 A Yes.

21 Q Do you know what services BST will and will
22 not provide in the future?

23 A To my knowledge BST will not offer services
24 outside the nine-state region. Secondly, to the best
25 of my knowledge, BST will not provide a fully

1 integrated package that would include, among other
2 things, long distance.

3 Q Are you privy to their business plans or is
4 that just your conjecture?

5 A Well, the second part is not conjecture. I
6 think it's the requirements of the Act, so it's
7 neither conjecture nor privy to their plan.

8 In terms of whether they would anticipate a
9 filing outside the BellSouth region, I'm not privy to
10 their plans. That's my opinion.

11 Q Okay. There was some discussion earlier
12 about Section 272 of the federal act. Is BSE planning
13 to comply with the structural requirements in that
14 Act?

15 A From a practical standpoint, yes.

16 Q Okay.

17 A A fully separate subsidiary. We're, in
18 effect, in accordance with them right now.

19 Q Is it your understanding that you're not
20 required to comply with them?

21 A Because we're not technically a 272
22 subsidiary, I guess technically you could say we're
23 not required to do so, but as a fully separate
24 subsidiary we, in effect, fall under the same sort of
25 arrangement.

1 Q You provided to Staff, I guess, in response
2 to their data request the Kentucky Inter connection
3 Agreement with BST. Does BSE have any other
4 agreements with any other ILECs?

5 A No.

6 Q Okay. What is a successor or assign?

7 A It depends on whose definition you want to
8 use.

9 Q Your definition.

10 A I guess I would use the definition that I
11 believe is in accord with the Telecom Act and the FCC
12 rules, which would have the successor or assign assume
13 certain responsibilities or capabilities of the
14 incumbent.

15 Q If BST transferred to BSE ownership of a
16 network element that BST would be required to provide
17 on an unbundled basis, would that make BSE an assign?

18 A Again, you're asking me a totally
19 speculative question. There's no anticipation or no
20 plans for BST to transfer any assets whatsoever to
21 BSE. So I'm not sure how that could occur or what
22 would occur in that case. So it's difficult for me to
23 answer your question.

24 Q Hold on just a second. I just want to run
25 through some other things that probably have been

1 answered. (Pause)

2 MR. BOND: That's all the questions I have.
3 Thanks.

4 MS. BEDELL: Do we have any further matters
5 that need to be taken -- any further questions? Any
6 parties I've missed on the phone? If not, this
7 deposition is concluded.

8 WITNESS SCHNYE: When would Staff like the
9 answer to the late-filed question?

10 MS. BEDELL: That's a very good question.
11 Can we get those in a week?

12 WITNESS SCHNYE: Yes.

13 MS. BEDELL: Okay. Then one week is when
14 we'd like to have them.

15 (Deposition concludes at 11:45 a.m.)

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CERTIFICATE OF DEPO ENT

This is to certify that I, ROBERT C. SCHEYE
have read the foregoing transcription of my
testimony, Page 4 through 59,
given telephonically on April 2, 1998
in Locket No. 971056-TX, and find
the same to be true and correct, with the
exceptions, and/or corrections, if any, as shown
on the errata sheet attached hereto.

ROBERT C. SCHEYE

Sworn to and subscribed before me
this _____ day of _____, 19____
by ROBERT C. SCHEYE.

NOTARY PUBLIC
State of _____
Personally known ___ OP produced identification___.
Type of identification produced_____.

1 F L O R I D A)
2 COUNTY OF LEON)

CERTIFICATE OF OATH

3 I, the undersigned authority, certify
4 that Robert C. Sebays personally appeared before
5 me at 2121 Paces Ferry Rd Ga ^{Atlanta} and was
6 duly sworn by me to tell the truth.

7 WITNESS my hand and official seal in the
8 city of Atlanta, county of Fulton,
9 State of Georgia, this
10 (¹DAY) Apr. 12, 1998.

11
12 Margaret A. Taylor
13 Notary Public
14 State of Georgia

14 Personally know OR produced identification ____.
15 Type of identification produced _____



Notary Public, Fulton County, Georgia
My Commission Expires February 11, 2000

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1 STATE OF FLORIDA)
2 : CERTIFICATE OF REPORTER
3 COUNTY OF LEON)

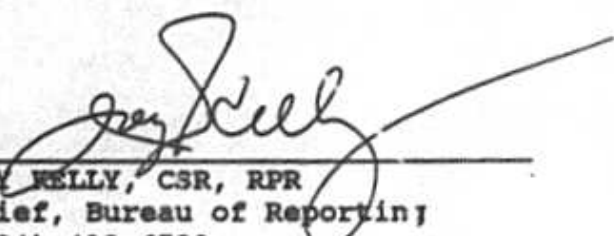
4 I, JOY KELLY, CSR, RPR, Official Commission
5 Reporter, Certified Shorthand Reporter and Registered
6 Professional Reporter.

7 DO HEREBY CERTIFY that I was authorized to
8 and did stenographically report the foregoing
9 telephonic deposition of ROBERT C. SCHEYE.

10 I FURTHER CERTIFY that this transcript,
11 consisting of 61 pages, constitutes a true record of
12 the testimony given by the witness over the telephone.

13 I FURTHER CERTIFY that I am not a relative,
14 employee, attorney or counsel of any of the parties,
15 nor am I a relative or employee of any of the parties'
16 attorney or counsel connected with the action, nor am
17 I financially interested in the action.

18 DATED this 6th day of April, 1998.

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25

JOY KELLY, CSR, RPR
Chief, Bureau of Reporting
(904) 413-6732

E/2

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for certificate to provide alternative local exchange telecommunications service by BellSouth BSE, Inc.

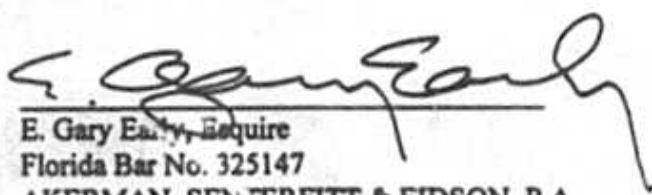
Doc. No. 971056-TX

Filed: March 27, 1998

BELLSOUTH BSE, INC.'S RESPONSE TO STAFF'S FIRST REQUEST FOR PRODUCTION OF DOCUMENTS (NOS. 1-6)

Pursuant to Rule 25-22.034, Florida Administrative Code, and Rule 1.350, Florida Rules of Civil Procedure, BellSouth BSE, Inc., by and through its undersigned counsel, hereby responds to Staff's First Request for Production of Documents (Nos. 1-6) and files the attached documents and materials.

Respectfully Submitted,



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Exhibit
2

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing was furnished to the following parties by United States mail or hand delivery this 21st day of March, 1998:

By Hand Delivery to:

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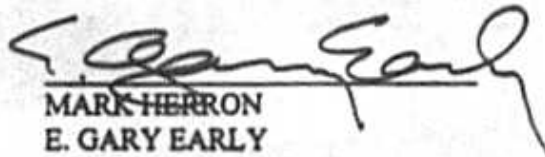
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MARK HERRON
E. GARY EARLY

REQUEST:

Please produce any and all contracts or agreements which BellSouth BSE has entered into with BellSouth Telecommunications, Inc., or any of its subsidiaries or affiliates. These documents should include, but are not limited to, any and all operating agreements, negotiated agreements, interconnection agreements, resale agreements and collocation agreements.

RESPONSE:

Attached is the Agreement between BellSouth Telecommunications, Inc. and BellSouth BSE, Inc. Regarding the Sale of BellSouth Telecommunications Services to BellSouth BSE for the Purposes of Resale as filed and approved for the state of Kentucky.

Response provided by:

Robert Scheye
BellSouth BSE, Inc.
2727 Paces Ferry Road
Suite 1100
Atlanta, Georgia 30339

Agreement Between BellSouth Telecommunications, Inc. and BSE Company, Inc. Regarding The Sale of BellSouth Telecommunications Services to BellSouth BSE, Inc. for The Purposes of Resale

THIS AGREEMENT is by and between BellSouth Telecommunications, Inc., ("BellSouth or Company"), a Georgia corporation, and BellSouth BSE, Inc. ("BSE"), a Georgia corporation, and shall be deemed effective as of October 28, 1997.

WITNESSETH

WHEREAS, BellSouth is a local exchange telecommunications company authorized to provide telecommunications services in the states of Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee; and

WHEREAS, BSE is or seeks to become an alternative local exchange telecommunications company authorized to provide telecommunications services in the state of Kentucky; and

WHEREAS, BSE desires to resell BellSouth's telecommunications services; and

WHEREAS, BellSouth has agreed to provide such services to BSE for resale purposes and pursuant to the terms and conditions set forth herein;

NOW, THEREFORE, for and in consideration of the mutual premises and promises contained herein, BellSouth and BSE do hereby agree as follows:

I Term of the Agreement

A. The term of this Agreement shall be two years beginning October 28, 1997 and shall apply to all of BellSouth's serving territory as of January 1, 1997 in the state of Kentucky.

B. This Agreement shall be automatically renewed for two additional one year periods unless either party indicates its intent not to renew the Agreement. Notice of such intent must be provided, in writing, to the other party no later than 60 days prior to the end of the then-existing contract period. The terms of this Agreement shall remain in effect after the term of the existing agreement has expired and while a new agreement is being negotiated.

C. The rates pursuant to which BSE is to purchase services from BellSouth for resale shall be at a discount rate off of the retail rate for the telecommunications service. The discount rates shall be as set forth in Exhibit A, attached hereto and incorporated herein by this reference. Such discount shall reflect the costs avoided by BellSouth when selling a service for wholesale purpose.

II Definition of Terms

A. CUSTOMER OF RECORD means the entity responsible for placing application for service; requesting additions, rearrangements, maintenance or discontinuance of service; payment in full of charges incurred such as non-recurring, monthly recurring, toll, directory assistance, etc.

B. DEPOSIT means assurance provided by a customer in the form of cash, surety bond or bank letter of credit to be held by the Company.

- C. **END USER** means the ultimate user of the telecommunications services.
- D. **END USER CUSTOMER LOCATION** means the physical location of the premises where an end user makes use of the telecommunications services.
- E. **NEW SERVICES** means functions, features or capabilities that are not currently offered by BellSouth. This includes packaging of existing services or combining a new function, feature or capability with an existing service.
- F. **OTHER LOCAL EXCHANGE COMPANY (OLEC)** means a telephone company certified by the public service commissions of the Company's franchised area to provide local exchange service within the Company's franchised area.
- G. **RESALE** means an activity wherein a certificated OLEC, such as BSE subscribes to the telecommunications services of the Company and then reoffers those telecommunications services to the public (with or without "adding value").
- H. **RESALE SERVICE AREA** means the area, as defined in a public service commission approved certificate of operation, within which an OLEC, such as BSE, may offer resold local exchange telecommunications service.

III. General Provisions

- A. BSE may resell the tariffed local exchange and toll telecommunications services of BellSouth contained in the General Subscriber Service Tariff and Private Line Service Tariff subject to the terms, and conditions specifically set forth herein. Notwithstanding the foregoing, the exclusions and limitations on services available for resale will be as set forth in Exhibit B, attached hereto and incorporated herein by this reference.

BellSouth shall make available telecommunications services for resale at the rates set forth in Exhibit A to this agreement and subject to the exclusions and limitations set forth in Exhibit B to this agreement. It does not however waive its right to appeal or otherwise challenge any decision regarding resale that resulted in the discount rates contained in Exhibit A or the exclusions and limitations as contained in Exhibit B. BellSouth reserves the right to pursue any and all legal and/or equitable remedies, including appeals of any decisions. If such appeals or challenges result in changes in the discount rates or exclusions and limitations, the parties agree that appropriate modifications to this Agreement will be made promptly to make its terms consistent with the outcome of the appeal.

- B. BSE may purchase resale services from BellSouth for their own use in operating their business. The resale discount will apply to those services under the following conditions:
 - 1) BSE must resell services to other end users.
 - 2) BSE must order services through resale interfaces, i. e., the LCSC and/or appropriate Resale Account Team.

- 3) BSE cannot be an alternative local exchange telecommunications company for the single purpose of selling to themselves.
- C. The provision of services by the Company to BSE does not constitute a joint undertaking for the furnishing of any service.
- D. BSE will be the customer of record for all services purchased from BellSouth. Except as specified herein, the Company will take orders from, bill and expect payment from BSE for all services.
- E. BSE will be the Company's single point of contact for all services purchased pursuant to this Agreement. The Company shall have no contact with the end user except to the extent provided for herein.
- F. The Company will continue to bill the end user for any services that the end user specifies it wishes to receive directly from the Company.
- G. The Company maintains the right to serve directly any end user within the service area of BSE. The Company will continue to directly market its own telecommunications products and services and in doing so may establish independent relationships with end users of BSE.
- H. Neither Party shall interfere with the right of any person or entity to obtain service directly from the other Party.
- I. Current telephone numbers may normally be retained by the end user. However, telephone numbers are the property of the Company and are assigned to the service furnished. BSE has no property right to the telephone number or any other call number designation associated with services furnished by the Company, and no right to the continuance of service through any particular central office. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, whenever the Company deems it necessary to do so in the conduct of its business.
- J. The Company may provide any service or facility for which a charge is not established herein, as long as it is offered on the same terms to BSE.
- K. Service is furnished subject to the condition that it will not be used for any unlawful purpose.
- L. Service will be discontinued if any law enforcement agency advises that the service being used is in violation of the law.
- M. The Company can refuse service when it has grounds to believe that service will be used in violation of the law.
- N. The Company accepts no responsibility to any person for any unlawful act committed by BSE or its end users as part of providing service to BSE for purposes of resale or otherwise.
- O. The Company will cooperate fully with law enforcement agencies with subpoenas and court orders for assistance with the Company's customers. Law enforcement agency subpoenas and court orders

regarding end users of BSE will be directed to BSE. The Company will bill BSE for implementing any requests by law enforcement agencies regarding BSE end users.

P. The characteristics and methods of operation of any circuits, facilities or equipment provided by any person or entity other than the Company shall not:

- 1) Interfere with or impair service over any facilities of the Company, its affiliates, or its connecting and concurrent carriers involved in its service;
- 2) Cause damage to their plant;
- 3) Impair the privacy of any communications; or
- 4) Create hazards to any employees or the public.

Q. BSE assumes the responsibility of notifying the Company regarding less than standard operations with respect to services provided by BSE.

R. Facilities and/or equipment utilized by BellSouth to provide service to BSE remain the property of BellSouth.

S. White page directory listings will be provided in accordance with regulations set forth in Section A6 of the General Subscriber Service Tariff and will be available for resale.

T. BellSouth will provide customer record information to BSE provided BSE has the appropriate Letter(s) of Authorization. BellSouth may provide customer record information via one of the following methods: US mail, fax, or by electronic interface. BellSouth will provide customer record information via US mail or fax on an interim basis only.

- 1) BSE agrees to compensate BellSouth for all BellSouth incurred expenditures associated with providing such information to BSE. BSE will adopt and adhere to the BellSouth guidelines associated with each method of providing customer record information.

Such as 2) All costs incurred by BellSouth to develop and implement operational interfaces shall be recovered from BSE who utilize the services. *John*

U. BellSouth's messaging services may be made available for resale subject to the execution of BellSouth's Messaging Agreement and without the wholesale discount.

V. BellSouth's Inside Wire Maintenance Plans may be made available for resale at rates, terms and conditions as set forth by BellSouth and without the wholesale discount.

IV. BellSouth's Provision of Services to BSE

- A. BSE agrees that its resale of BellSouth services shall be as follows:
- 1) The resale of telecommunications services shall be limited to users and uses conforming to the class of service restrictions.
 - 2) To the extent BSE is a telecommunications carrier that serves greater than 5 percent of the Nation's pre-subscribed access lines, BSE shall not jointly market its InterLATA services with the telecommunications services purchased from BellSouth pursuant to this Agreement in any of the states covered under this Agreement. For the purposes of this subsection, to jointly market means any advertisement, marketing effort or billing in which the telecommunications services purchased from BellSouth for purposes of resale to customers and InterLATA services offered by BSE are packaged, tied, bundled, discounted or offered together in any way to the end user. Such efforts include, but are not limited to, sales referrals, resale arrangements, sales agencies or billing agreements. This subsection shall be void and of no effect for a particular state covered under this Agreement as of February 8, 1999 or on the date BellSouth is authorized to offer InterLATA services in that state, whichever is earlier.
 - 3) Hotel and Hospital PBX service are the only telecommunications services available for resale to Hotel/Motel and Hospital end users, respectively. Similarly, Access Line Service for Customer Provided Coin Telephones is the only local service available for resale to Independent Telephone Provider (ITP) customers. Shared Tenant Service customers can only be sold those telecommunications services available in the Company's A23 Shared Tenant Service Tariff.
 - 4) BSE is prohibited from furnishing both flat and measured rate service on the same business premises to the same subscribers (end users) as stated in A2 of the Company's Tariff except for backup service as indicated in the applicable state tariff Section A3.
 - 5) If telephone service is established and it is subsequently determined that the class of service restriction has been violated, BSE will be notified and billing for that service will be immediately changed to the appropriate class of service. Service charges for changes between classes of service, back billing, and interest as described in this subsection shall apply at the Company's sole discretion. Interest at a rate as set forth in Section A2 of the General Subscriber Service Tariff and Section B2 of the Private Line Service Tariff for the applicable state, compounded daily for the number of days from the birth billing date to and including the date that BSE actually makes the payment to the Company may be assessed.
 - 6) The Company reserves the right to periodically audit services purchased by BSE to establish substantivity of use. Such audit shall not occur more than once in a calendar year. BSE shall make any and all records and data available to the Company or the Company's auditor on a reasonable basis. The Company shall bear the cost of said audit.
- B. Resold services can only be used in the same manner as specified in the Company's Tariff. Resold services are subject to the same terms and conditions as are specified for such services when furnished to an individual end user of the Company in the appropriate section of the Company's Tariff. Specific tariff features, e.g. a usage allowance per month, shall not be aggregated across multiple resold services. Resold services cannot be used to aggregate traffic from more than one end user customer except as specified in Section A23 of the Company's Tariff referring to Shared Tenant Service.
- C. BSE may resale services only within the specific resale service area as defined in its certificate.

- D. Telephone numbers transmitted via any record service feature are intended solely for the use of the end user of the feature. Resale of this information is prohibited.
- E. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. BSE is strictly prohibited from any use, including but not limited to sales, marketing or advertising, of any BellSouth name or trademark.

V. Maintenance of Services

- A. BSE will adopt and adhere to the standards contained in the applicable BellSouth Work Center Interface Agreement regarding maintenance and installation of service.
- B. Services resold under the Company's Tariffs and facilities and equipment provided by the Company shall be maintained by the Company.
- C. BSE or its end users may not rearrange, move, disconnect, remove or attempt to repair any facilities owned by the Company, other than by connection or disconnection to any interface means used, except with the written consent of the Company.
- D. BSE accepts responsibility to notify the Company of situations that arise that may result in a service problem.
- E. BSE will be the Company's single point of contact for all repair calls on behalf of BSE's end users. The parties agree to provide one another with toll-free contact numbers for such purposes.
- F. BSE will contact the appropriate repair centers in accordance with procedures established by the Company.
- G. For all repair requests, BSE accepts responsibility for adhering to the Company's prescreening guidelines prior to referring the trouble to the Company.
- H. The Company will bill BSE for handling troubles that are found not to be in the Company's network pursuant to its standard usage and material charges. The standard time and material charges will be no more than what BellSouth charges to its retail customers for the same services.
- L. The Company reserves the right to contact BSE's customers, if deemed necessary, for maintenance purposes.

VI. Establishment of Service

- A. After receiving certification as a local exchange company from the appropriate regulatory agency, BSE will provide the appropriate Company service center the necessary documentation to enable the Company to establish a master account for BSE. Such documentation shall include the Application for

Master Account, proof of authority to provide telecommunications services, an Operating Company Number ("OCN") assigned by the National Exchange Carriers Association ("NECA") and a tax exemption certificate, if applicable. When necessary deposit requirements are met, the Company will begin taking orders for the resale of service.

B. Service orders will be in a standard format designated by the Company.

C. When notification is received from BSE that a current customer of the Company will subscribe to BSE's service, standard service order intervals for the appropriate class of service will apply.

D. The Company will not require end user confirmation prior to establishing service for BSE's end user customer. BSE must, however, be able to demonstrate end user authorization upon request.

E. BSE will be the single point of contact with the Company for all subsequent ordering activity resulting in additions or changes to resold services except that the Company will accept a request directly from the end user for conversion of the end user's service from BSE to the Company or will accept a request from another OLEC for conversion of the end user's service from BSE to the other LEC. The Company will notify BSE that such a request has been processed.

F. If the Company determines that an unauthorized change in local service to BSE has occurred, the Company will reestablish service with the appropriate local service provider and will assess BSE as the OLEC initiating the unauthorized change, the unauthorized change charge described in F.C.C. Tariff No. 1, Section 13. Appropriate nonrecurring charges, as set forth in Section A4, of the General Subscriber Service Tariff, will also be assessed to BSE. These charges can be adjusted if BSE provides satisfactory proof of authorization.

G. In order to safeguard its interest, the Company reserves the right to secure the account with a suitable form of security deposit, unless satisfactory credit has already been established.

- 1) Such security deposit shall take the form of an Irrevocable Letter of Credit or other forms of security acceptable to the Company. Any such security deposit may be held during the continuance of the service as security for the payment of any and all amounts accruing for the service.
- 2) If a security deposit is required, such security deposit shall be made prior to the inauguration of service.
- 3) Such security deposit may not exceed two months' estimated billing.
- 4) The fact that a security deposit has been made in no way relieves BSE from complying with the Company's regulations as to advance payments and the prompt payment of bills on presentation nor does it constitute a waiver or modification of the regular practices of the Company providing for the discontinuance of service for non-payment of any sums due the Company.
- 5) The Company reserves the right to increase the security deposit requirements when, in its sole judgment, circumstances so warrant and/or gross monthly billing has increased beyond the level initially used to determine the security deposit.

- 6) In the event that BSE defaults on its account, service to BSE will be terminated and any security deposits held will be applied to its account.
- 7) In the case of a cash deposit, interest at a rate as set forth in the appropriate BellSouth tariff shall be paid to BSI during the continuance of the security deposit. Interest on a security deposit shall accrue annually and, if requested, shall be annually credited to BSE by the annual date.

VII. Payment And Billing Arrangements

- A. When the initial service is ordered by BSE, the Company will establish an accounts receivable master account for BSE.
- B. The Company shall bill BSE on a current basis all applicable charges and credits.
- C. Payment of all charges will be the responsibility of BSE. BSE shall make payment to the Company, for all services billed. The Company is not responsible for payments not received by BSE from BSE's customer. The Company will not become involved in billing disputes that may arise between BSE and its customer. Payments made to the Company as payment on account will be credited to an accounts receivable master account and not to an end user's account.
- D. The Company will render bills each month on established bill days for each of BSE's accounts.
- E. The Company will bill BSE, in advance, charges for all services to be provided during the ensuing billing period except charges associated with service usage, which charges will be billed in arrears. Charges will be calculated on an individual end user account level, including, if applicable, any charges for usage or usage allowances. BellSouth will also bill all charges, including but not limited to 911 and E911 charges, telecommunications relay charges, and franchise fees, to BSE.
- F. The payment will be due by the next bill date (i.e., same date in the following month as the bill date) and is payable in immediately available funds. Payment is considered to have been made when received by the Company.
 - 1) If the payment due date falls on a Sunday or on a holiday which is observed on a Monday, the payment due date shall be the first non-holiday day following such Sunday or Holiday. If the payment due date falls on a Saturday or on a Holiday which is observed on Tuesday, Wednesday, Thursday, or Friday, the payment due date shall be the first non-holiday day preceding such Saturday or Holiday. If payment is not received by the payment due date, late payment penalty, as set forth in I, following, shall apply.
- G. Upon proof of tax exempt certification from BSE, the total amount billed to BSE will not include any taxes due from the end user. BSE will be solely responsible for the computation, tracking, reporting and payment of all federal, state and/or local jurisdiction taxes associated with the services resold to the end user.
- H. As the customer of record, BSE will be responsible for, and remit to the Company, all charges applicable to its resold services for emergency services (E911 and 911) and Telecommunications Relay Service (TRS) as well as any other charges of a similar nature.

L. If any portion of the payment is received by the Company after the payment due date as set forth preceding, or if any portion of the payment is received by the Company in funds that are not immediately available to the Company, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the payment due date times a late factor. The late factor shall be as set forth in Section A2 of the General Subscriber Service Tariff and Section B2 of the Private Line Service Tariff.

J. Any switched access charges associated with interexchange carrier access to the resold local exchange lines will be billed by, and due to, the Company. No additional charges are to be assessed to BSE.

K. The Company will not perform billing and collection services for BSE as a result of the execution of this Agreement. All requests for billing services should be referred to the appropriate entity or operational group within the Company.

L. Pursuant to 47 CFR Section 51.617, the Company will bill BSE end user common line charges identical to the end user common line charges the Company bills its end users.

M. In general, the Company will not become involved in disputes between BSE and BSE's end user customers over resold services. If a dispute does arise that cannot be settled without the involvement of the Company, BSE shall contact the designated Service Center for resolution. The Company will make every effort to assist in the resolution of the dispute and will work with BSE to resolve the matter in as timely a manner as possible. BSE may be required to submit documentation to substantiate the claim.

VIII. Discontinuance of Service

A. The procedures for discontinuing service to an end user are as follows:

- 1) Where possible, the Company will deny service to BSE's end user on behalf of, and at the request of, BSE. Upon restoration of the end user's service, resold charges will apply and will be the responsibility of BSE.
 - 2) At the request of BSE, the Company will disconnect a BSE end user customer.
 - 3) All requests by BSE for denial or disconnection of an end user for nonpayment must be in writing.
 - 4) BSE will be made solely responsible for notifying the end user of the proposed disconnection of the service.
 - 5) The Company will continue to process calls made to the Annoyance Call Center and will advise BSE when it is determined that annoyance calls are originated from one of their end user's locations. The Company shall be indemnified, defended and held harmless by BSE and/or the end user against any claim, loss or damage arising from providing this information to BSE. It is the responsibility of BSE to take the corrective action necessary with its customers who make annoying calls. Failure to do so will result in the Company's disconnecting the end user's service.
- B. The procedures for discontinuing service to BSE are as follows:

- 1) The Company reserves the right to suspend or terminate service for nonpayment or in the event of prohibited, unlawful or improper use of the facilities or service, abuse of the facilities, or any other violation or noncompliance by BSE of the rules and regulations of the Company's Tariffs.
- 2) If payment of account is not received by the bill day in the month after the original bill day, the Company may provide written notice to BSE, that additional applications for service will be refused and that any pending orders for service will not be completed if payment is not received by the fifteenth day following the date of the notice. If the Company does not refuse additional applications for service on the date specified in the notice, and BSE's noncompliance continues, nothing contained herein shall preclude the Company's right to refuse additional applications for service without further notice.
- 3) If payment of account is not received, or arrangements made, by the bill day in the second consecutive month, the account will be considered in default and will be subject to denial or disconnection, or both.
- 4) If BSE fails to comply with the provisions of this Agreement, including any payments to be made by it on the dates and times herein specified, the Company may, on thirty days written notice to the person designated by BSI to receive notices of noncompliance, discontinue the provision of existing services to BSE at any time thereafter. In the case of such discontinuance, all billed charges, as well as applicable termination charges, shall become due. If the Company does not discontinue the provision of the services involved on the date specified in the thirty day notice, and BSE's noncompliance continues, nothing contained herein shall preclude the Company's right to discontinue the provision of the services to BSE without further notice.
- 5) If payment is not received or arrangements made for payment by the date given in the written notification, BSE services will be discontinued. Upon discontinuance of service on a BSE's account, service to BSE's end users will be denied. The Company will also establish service at the request of the end user or BSE upon payment of the appropriate connection fee and subject to the Company's normal application procedures. BSE is solely responsible for notifying the end user of the proposed disconnection of the service.
- 6) If within fifteen days after an end user's service has been denied no contact has been made in reference to restoring service, the end user's service will be disconnected.

IX. Liability

A. The liability of the Company for damages arising out of mistakes, omissions, interruptions, preemptions, delays or defects in transmission, or failures or defects in facilities furnished by the Company, occurring in the course of furnishing service at other facilities and not caused by the negligence of BSE, or of the Company in failing to maintain proper standards of maintenance and operation and to exercise reasonable supervision shall in no event exceed an amount equivalent to the proportionate charge to BSE for the period of service during which such mistake, omission, interruption, preemption, delay, error or defect in transmission or defect or failure in facilities occur. The Company shall not be liable for damage arising out of mistakes, omission, interruptions, preemptions, delays, errors or defects in transmission or other injury, including but not limited to injuries to persons or property from voltages or currents transmitted over the service of the Company, (1) caused by customer-provided equipment (except where a contributing cause is the malfunctioning of a Company-provided connecting arrangement, in which event the liability of the Company shall not exceed an amount equal to a proportional amount of the Company billing for the period of service during which such mistake, omission, interruption, preemption, delay, error, defect in transmission or injury occurs), or (2) not prevented by customer-provided equipment but which would have been prevented had Company-provided equipment been used.

B. The Company shall be indemnified and saved harmless by ESE against any and all claims, actions, causes of action, damages, liabilities, or demands (including the cost, expenses and reasonable attorneys' fees, on account thereof) of whatever kind or nature that may be made by any third party as a result of the Company's furnishing of service to BSE.

C. The Company shall be indemnified, defended and held harmless by BSE and/or the end user against any claim, loss or damage arising from the use of services offered for resale involving:

- 1) Claims for libel, slander, invasion of privacy or infringement of copyright arising from BSE's or end user's own communications.
- 2) Claims for patent infringement arising from acts combining or using Company services in connection with facilities or equipment furnished by the end user or BSE.
- 3) All other claims arising out of an act or omission of BSE or its end user in the course of using services.

D. BSE accepts responsibility for providing access for maintenance purposes of any service resold under the provisions of this Tariff. The Company shall not be responsible for any failure on the part of BSE with respect to any end user of BSE.

X. Treatment of Proprietary and Confidential Information

A. Both parties agree that it may be necessary to provide each other during the term of this Agreement with certain confidential information, including trade secrets, information, including but not limited to, technical and business plans, technical information, proposals, specifications, drawings, procedures, customer account data and like information (hereinafter collectively referred to as "Information"). Both parties agree that all Information shall either be in writing or in other tangible format and clearly marked with a confidential, private or proprietary legend, or, when the Information is communicated orally, it shall also be communicated that the Information is confidential, private or proprietary. The Information will be returned to the owner within a reasonable time. Both parties agree that the Information shall not be copied or reproduced in any form. Both parties agree to receive such Information and not disclose such Information. Both parties agree to protect the Information received from distribution, disclosure or dissemination to anyone except employees of the parties with a need to know such Information and which employees agree to be bound by the terms of this Section. Both parties will use the same standard of care to protect Information received as they would use to protect their own confidential and proprietary Information.

B. Notwithstanding the foregoing, both parties agree that there will be no obligation to protect any portion of the Information that is either: 1) made publicly available by the owner of the Information or lawfully disclosed by a nonparty to this Agreement; 2) lawfully obtained from any source other than the owner of the Information; or 3) previously known to the receiving party without an obligation to keep it confidential.

XI. Resolution of Disputes

Except as otherwise stated in this Agreement, the parties agree that if any dispute arises as to the interpretation of any provision of this Agreement or as to the proper implementation of this Agreement, the parties will petition the applicable state Public Service Commission for a resolution of the dispute. However, each party reserves any rights it may have to seek judicial review of any ruling made by the Public Service Commission concerning this Agreement.

XII. Limitation of Use

The parties agree that this Agreement shall not be proffered by either party in another jurisdiction as evidence of any concession or as a waiver of any position taken by the other party in that jurisdiction or for any other purpose.

XIII. Waivers

Any failure by either party to insist upon the strict performance by the other party of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions of this Agreement, and each party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreement.

XIV. Governing Law

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Georgia, without regard to its conflict of laws principles.

XV. Arm's Length Negotiations

This Agreement was executed after arm's length negotiations between the undersigned parties and reflects the conclusion of the undersigned that this Agreement is in their best interests of all parties.

XVI. Notices

A. Every notice, consent, approval, or other communications required or contemplated by this Agreement shall be in writing and shall be delivered in person or given by postage prepaid mail, address to:

BellSouth Telecommunications, Inc.
CLBC Account Team
3535 Colonnade Parkway
Room E4E1
Birmingham, AL 35243

BellSouth BSE, Inc.
Robert Schrye
Vice President-Supplier Development & External Affairs
1100 Peachtree Street, N.E.
Atlanta, GA 30309

or at such other address as the intended recipient previously shall have designated by written notice to the other party.

B. Where specifically required, notices shall be by certified or registered mail. Unless otherwise provided in this Agreement, notice by mail shall be effective on the date it is officially recorded as delivered by return receipt or equivalent, and in the absence of such record of delivery, it shall be presumed to have been delivered the fifth day, or next business day after the fifth day, after it was deposited in the mails.

XVII. Amendments

This Agreement may be amended at any time upon written agreement of both parties.

XVIII. Entire Agreement

This Agreement sets forth the entire understanding and supersedes prior agreements between the parties relating to the subject matter contained herein and merges all prior discussions between them, and neither party shall be bound by any definition, condition, provision, representation, warranty, covenant or promise other than as expressly stated in this Agreement or as is contemporaneously or subsequently set forth in writing and executed by a duly authorized officer or representative of the party to be bound thereby.

BellSouth Telecommunications, Inc.

BY:


Jerry D. Hendrix

TITLE: Director-Interconnection Services

DATE:

10/28/97

BellSouth BSE, Inc.

BY:


Mario Soto

TITLE: Vice-President-Supplier Development & External Affairs

DATE:

October 28, 1997

EXHIBIT "A"

APPLICABLE DISCOUNTS

The telecommunications services available for purchase by BSE for the purposes of resale to BSE end users shall be available at the following discount off of the retail rate.

DISCOUNT

<u>STATE</u>	<u>RESIDENCE</u>	<u>BUSINESS</u>
ALABAMA	17%	17%
FLORIDA	21.83%	16.81%
GEORGIA	20.3%	17.3%
KENTUCKY	16.79%	15.54%
LOUISIANA*	20.72%	20.72%
MISSISSIPPI	15.75%	15.75%
NORTH CAROLINA	21.5%	17.6%
SOUTH CAROLINA	14.8%	14.8%
TENNESSEE**	16%	16%

* Effective as of the Commission's Order in Louisiana Docket No. U-22020 dated November 12, 1996.

** The Wholesale Discount is set as a percentage off the tariffed rates. If OLEC provides its own operator services and directory services, the discount shall be 21.56%. These rates are effective as of the Tennessee Regulatory Authority's Order in Tennessee Docket No. 90-01331 dated January 17, 1997.

REQUEST: Referring to FCCA witness Gillan's testimony at page 10, lines 3-4, please provide any and all documentation on the cited advertising campaign.

RESPONSE: BellSouth BSE did not participate in the preparation of advertising material as referenced in Gillan's testimony, i.e. BellSouth Corporate Whiz Kid campaign. This ad campaign was conceived, sponsored and paid for by BellSouth Corporation. However, for the purpose of answering this request to produce documents, BSE has obtained and will produce a video copy of the "Metronet" and "Telemedicine" commercials which are aired regionally on television. In addition, BSE has obtained and will provide copies of the "Telemedicine" and "Metronet" print ads and a summary of publications with insertion dates in which the campaign has/will run.

Response provided by: Robert Scheye
BellSouth BSE, Inc.
2727 Paces Ferry Road
Suite 1100
Atlanta, Georgia 30339

12

© BELL SOUTH



84

1931

12



COUNTRY SINGS

don't just plug
into amplifiers.

any more.



© BELL SOUTH



THE UNIVERSITY OF CHICAGO PRESS
50 EAST LAKE STREET, CHICAGO, ILL. 60607
1968

**BellSouth Corporate
1998 Print Schedule
3/25/98**

<u>Publications</u>	<u>Unit Size</u>	<u>Creative</u>	<u>Insertion Date</u>
<i>Time</i>	Spread 4/C	Telemedicine/Orig	2-Mar
	Spread 4/C	Metronet	6-Apr
	Page 4/C	NetDay	4-May
	Page 4/C	Publix	1-Jun
	Page 4/C	TBD	29-Jun
	Page 4/C	TBD	27-Jul
<i>Fortune</i>	Spread 4/C	Telemedicine/Orig	16-Mar
	Spread 4/C	Metronet	13-Apr
	Page 4/C	Telemedicine/REV	27-Apr
	Page 4/C	NetDay	25-May
	* 6pg ROB	TBD	8-Jun
	Page 4/C	TBD	22-Jun
<i>Business Week</i>	Page 4/C	TBD	20-Jul
	Spread 4/C	Telemedicine/Orig	9-Mar
	Spread 4/C	Metronet	6-Apr
	Page 4/C	NetDay	4-May
	Page 4/C	Publix	1-Jun
	Page 4/C	TBD	29-Jun
<i>Newsweek</i>	Page 4/C	TBD	27-Jul
	Spread 4/C	Telemedicine/Orig	9-Mar
	Spread 4/C	Metronet	6-Apr
	Page 4/C	NetDay	4-May
	Page 4/C	Publix	1-Jun
	Page 4/C	TBD	29-Jun
<i>Forbes</i>	Page 4/C	TBD	27-Jul
	Page 4/C	Telemedicine/Orig	9-Mar
	Page 4/C	Metronet	20-Apr
	Page 4/C	NetDay	18-May
	Page 4/C	Publix	1-Jun
	Page 4/C	TBD	27-Jul
	**Page 4/C	TBD	7-Sep

**National Page in Telecommunications Issue

<u>Publications</u>	<u>Unit Size</u>	<u>Creative</u>	<u>Insertion Date</u>
<i>National Geographic</i>	Spread 4/C	Telemedicine/Orig	Apr
	Spread 4/C	Metronet	May
	Page 4/C	NetDay	Jun
	Page 4/C	Publix	Jul
	Page 4/C	TBD	Aug
<i>The Wall Street Journal</i>	FP B/W	Telemedicine/Orig	11-Feb
	FP B/W	Metronet	18-Feb
	FP B/W	Telemedicine/Orig	25-Feb
	FP B/W	Metronet	4-Mar
	FP B/W	Telemedicine/REV	18-Mar
	FP B/W	Metronet	25-Mar
	FP B/W	Telemedicine/REV	1-Apr
	FP B/W	TBD	8-Apr
	1/4 Pg B/W	TBD	22-Apr
	1/4 Pg B/W	TBD	29-Apr
	1/4 Pg B/W	TBD	6-May
	1/4 Pg B/W	TBD	20-May
	1/4 Pg B/W	TBD	3-Jun
	1/4 Pg B/W	TBD	17-Jun
	1/4 Pg B/W	TBD	1-Jul
	1/4 Pg B/W	TBD	8-Jul

REQUEST: Please provide any all documentation of advertising campaigns or promotional materials designed to promote BellSouth BSE jointly with BellSouth Telecommunications, Inc.

RESPONSE: BellSouth BSE does not possess any advertising or promotional materials designed to promote BellSouth BSE jointly with BellSouth Telecommunications, Inc.

Response provided by: Robert Scheye
BellSouth BSE, Inc.
2727 Paces Ferry Road
Suite 1100
Atlanta, Georgia 30339

REQUEST: Please provide any and all documentation of advertising campaigns or promotional materials designed to promote BellSouth BSE.

RESPONSE: BellSouth BSE does not possess any documentation relating to advertising campaigns or promotional materials designed to promote BellSouth BSE.

Response provided by: Robert Scheye
BellSouth BSE, Inc.
2727 Paces Ferry Road
Suite 1100
Atlanta, Georgia 30339

REQUEST:

Please provide organizational charts identifying names and titles of all directors, officers and senior management staff of the following:

- A. BellSouth BSE
- B. BellSouth Telecommunications, Inc.
- C. BellSouth Holdings, Inc.

RESPONSE:

- A. A copy of the organizational chart is attached.
- B. BellSouth BSE is providing a copy of the BST organization chart that was acquired solely for the purpose of answering Staff's Request to Produce Documents.
- C. Please see footnote to the BellSouth BSE Organizational Chart.

Response provided by:

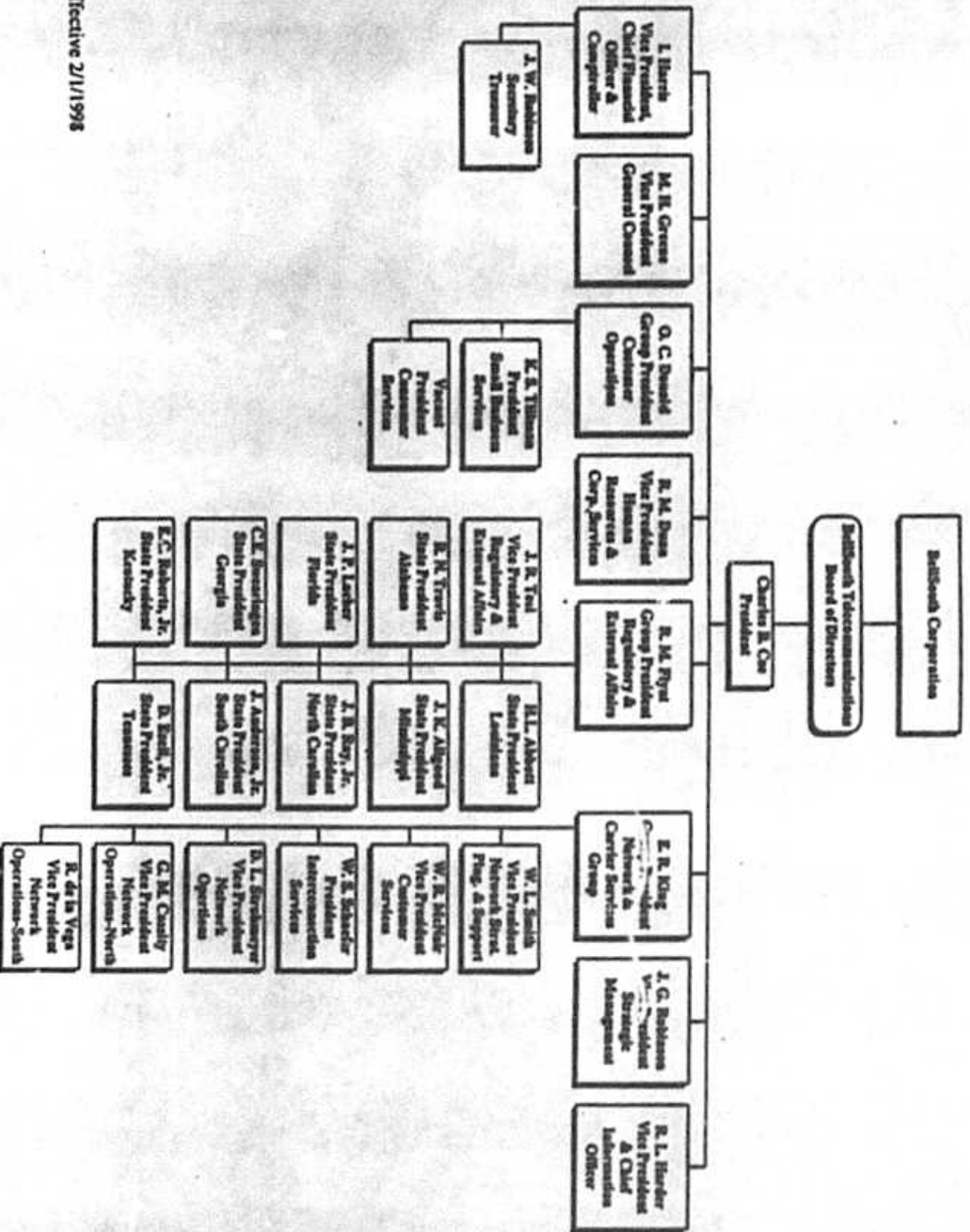
Robert Scheye
BellSouth BSE, Inc.
2727 Paces Ferry Road
Suite 1100
Atlanta, Georgia 30339

BELLSOUTH BSE, INC. ¹
FUNCTIONAL ORGANIZATIONAL CHART

Earle Mauldin	Director
John M. Doscher	President
Harry M. Lightsey, III	Vice President, General Counsel, Regulatory & External Affairs and Secretary
Robert C. Scheye	Vice President - Supplier Development and Business Relations
Tracie H. Ifkovits	Vice President and Chief Financial Officer
Lawrence G. Panatera	Vice President and Chief Information Officer
Joseph Di Misa	Director - Mass Market Sales
Frances O. Harney	Director - Human Resources

¹ BellSouth BSE Holdings, Inc. is a holding company for BellSouth BSE, Inc. BSE Holdings has one Director, Earle Mauldin, but does not have any employees.

BellSouth Telecommunications, Inc.



BellSouth Corporation Set of Books
 BSC Summary Income Statement
 Current Period FEB-98

Currency: USD
 Company=CLEC (BellSouth BSE, Inc.)

(Rounded \$,000)

	<u>YEAR-TO-DATE</u>
	Actual
Revenues	0
Operating Expenses	
Depreciation of Operating Asset	40
Selling, General, and Admin	1,588
Other Operating Expenses	3
Total Operating Expenses	1,631
Net Operating Income	(1,631)
Other Income	0
Other Income/Expense Net	0
Income Before Income Taxes	(1,631)
Income Taxes	(571)
Income From Continuing Operation	(1,060)
Net Income	(1,060)

NOTICE
 NOT FOR USE OR DISCLOSURE OUTSIDE BELLSOUTH
 EXCEPT UNDER WRITTEN AGREEMENT

**BellSouth Corporation Set of Books
BSC Summary Balance Sheet
Current Period FEB-98**

Currency: USD
Company=CLEC (BellSouth BSE, Inc.)
Balance Sheet, Account Balance Trend Comparison

	<u>Current Month-End Balance</u>
Assets	
Current Assets	
Accounts Receivable and Affiliate Loans (Current)	869
Other Current Assets	157
Total Current Assets	<u>1,025</u>
Fixed Assets	
Property, Plant and Equipment	2,828
Less: Accumulated Depreciation	(48)
Net Fixed Assets	<u>2,779</u>
Other Assets	
Other Non-Current Assets	0
Total Assets	<u>3,805</u>

NOTICE
NOT FOR USE OR DISCLOSURE OUTSIDE BELLSOUTH
EXCEPT UNDER WRITTEN AGREEMENT

Currency: USD
Company=CLEC (BellSouth BSE, Inc.)
Balance Sheet, Account Trend Comparison

	<u>Current Month-End Balance</u>
Liabilities and Equity	
Current Liabilities	
Accounts Payable	2,807
Other Current and Accrued Liabilities	<u>(1,895)</u>
Total Current and Accrued Liabilities	<u>912</u>
Other Liabilities	
Deferred Income Taxes	(22)
Other Liabilities and Deferred Credits	<u>7</u>
Total Other Liabilities	<u>(15)</u>
Total Liabilities	<u>897</u>
Total Stockholder's Equity	
Paid-In-Capital	13,756
Retained Earnings	<u>(10,849)</u>
Total Stockholder's Equity	<u>2,908</u>
Total Liabilities and Equity	<u>3,805</u>

REQUEST: Please provide a copy of BellSouth BSE's latest financial statement.

RESPONSE: A copy of BellSouth BSE's most recent financial statement is attached.

Response provided by: Robert Schaye
BellSouth BSE, Inc.
2727 Paces Ferry Road
Suite 1100
Atlanta, Georgia 30339

EV5

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for certificate to provide alternative local exchange telecommunications service by BellSouth BSE, Inc.

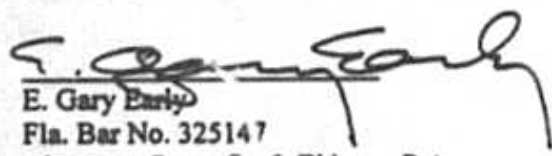
Docket No. 971056-TX

Filed: March 27, 1998

BELLSOUTH BSE, INC.'S NOTICE OF FILING
RESPONSES TO STAFF'S FIRST SET OF INTERROGATORIES (NO. 1)

Pursuant to Rule 1.340, Florida Rules of Civil Procedure, BellSouth BSE, Inc., by and through its undersigned counsel, hereby files the attached responses to Staff's First Set of Interrogatories (No. 1).

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by hand delivery to Martha Carter Brown, Esquire, Florida Public Service Commission, 2540 Shumard Oak Blvd., Room 390-M, Tallahassee, Florida 32399-0850 with copies served by hand delivery and U.S. Mail on the parties identified on the attached list on this 27th day of March, 1998.



E. Gary Early
Fla. Bar No. 325147
Akerman, Senterfit & Eidson, P.A.
216 South Monroe Street, Suite 200
Tallahassee, FL 32301

Mark Herron, Esquire
Florida Bar No. 195737
MARK HERRON, P.A.
216 South Monroe Street, Suite 200A
Tallahassee, Florida 32301

Attorneys for BellSouth BSE, Inc.

Exhibit
3

Marsha Rule
AT&T
101 North Monroe Street
Suite 700
Tallahassee, FL 32301
Counsel for AT&T Communications
of the Southern States, Inc.

Joseph A. McGlothlin
Vicki Gordon Kaufman
117 S. Gadsden Street
Tallahassee, FL 32301
Counsel for Florida Competitive Carriers Association

Richard D. Melson
Hopping Green Sams & Smith
Post Office Box 6526
Tallahassee, FL 32314
Counsel for MCI Telecommunications Corp.

Robert G. Beatty and Nancy B. White
c/o Nancy H. Sims
150 S. Monroe Street, Suite 400
Tallahassee, FL 32301
Counsel for BellSouth Telecommunications, Inc.

Kenneth A. Hoffman
Rutledge, Ecenia, Underwood,
Purnell & Hoffman, P.A.
P.O. Box 551
Tallahassee, FL 32302
Counsel for Teleport Communications Group, Inc.

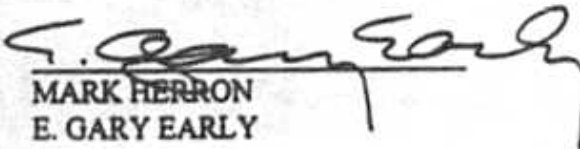
Pete Dunbar, Esquire
Barbara D. Auger, Esquire
Pennington, Moore, Wilkinson
& Dunbar, P.A.
215 S. Monroe Street
Suite 200
Tallahassee, FL 32301

By U.S. Mail to:

Thomas K. Bond
MCI Telecommunications Corp.
780 Johnson Ferry Road
Suite 700
Atlanta, GA 30342

Michael McRae, Esq.
Teleport Communications Group, Inc.
2 Lafayette Centre
1133 Twenty First Street, N.W.
Suite 400
Washington, D.C. 20036

Carolyn Marek
Time Warner Communications
Post Office Box 210706
Nashville, TN 37221



MARK HERRON
E. GARY EARLY

BellSouth BSE, Inc.
FL PSC Docket No. 97-1056
Staff's First Set of Interrogatories
(AMENDED)
March 27, 1998
Page 2 of 2

In summary, BellSouth BSE, if certificated, will provide services that are differentiated from BST, and will do so in a manner that was contemplated by the Act and the FCC's rules. Finally, BellSouth BSE requires statewide certification in order to meet the needs of multistage customers with locations within and beyond BST's Florida serving area. These capabilities, coupled with BellSouth BSE's focus on service packages will give customers additional choices that are not currently available to them.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for
certificate to provide
alternative local exchange
telecommunications service by
BellSouth BSE, Inc.

DOCKET NO. 971056-T)

DATED: MARCH 24, 1998

STAFF'S FIRST SET OF INTERROGATORIES (NO. 1)
TO BELLSOUTH BSE, INC.

Pursuant to Rule 1.340, Florida Rules of Civil Procedure, The Staff of the Florida Public Service Commission, by and through its undersigned attorney, hereby serves the First Set of Interrogatories (No. 1) to BellSouth BSE, Inc. These interrogatories shall be answered under oath by you or through your agent who is qualified to answer and who shall be fully identified, with said answers being served as provided pursuant to the Rules of Civil Procedure.

Provide the name, address and relationship to the Company of each person providing answers to the following inquiries and identify which question(s) each person answered.

DEFINITIONS

"You", "your", "Company" or "BellSouth" refers to BellSouth BSE, Inc., their employees and authorized agents.

"Document" refers to written matter of any kind, regardless of its form, and to information recorded on any storage medium,

STAFF'S FIRST SET OF INTERROGATORIES (NO. 1) TO BELLSOUTH BSE,
INC.
DOCKET NO. 971056-TX

whether in electrical, optical or electromagnetic form, and capable of reduction to writing by the use of computer hardware and software.

"Identify" means:

(a) With respect to a person, to state the person's name, address and business relationship (e.g., "employee") to the Company;

(b) With respect to a document, to state the nature of the document in sufficient detail for identification in a request for production, its date, its author, and to identify its custodian. If the information or document identified is recorded in electrical, optical or electromagnetic form, identification includes a description of the computer hardware or software required to reduce it to readable form.

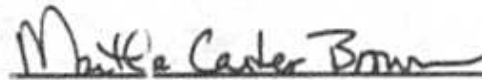
"Act" refers to the Communications Act of 1934 as amended by the Telecommunications Act of 1996.

STAFF'S FIRST SET OF INTERROGATORIES (NO. 1) TO BELLSOUTH BSE,
INC.
DOCKET NO. 971056-TX

INTERROGATORY:

1. Please explain why Bellsouth BSE applied for a certificate to provide alternative local exchange (ALEC) telecommunications service when its parent company, Bellsouth Telecommunications, Inc., already possesses ALEC certificate No. 4455.

SEE ATTACHED RESPONSE



MARTHA CARTER BROWN
Staff Counsel

FLORIDA PUBLIC SERVICE COMMISSION
Gerald L. Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
(850) 413-6199

REQUEST: Please explain why BellSouth BSE applied for a certificate to provide alternative local exchange (ALEC) telecommunications service when its parent company, BellSouth Telecommunications, Inc., already possesses ALEC certificate No. 4455.

RESPONSE: BellSouth BSE is seeking certification in order to provide services that BSE will not. BST is certified as an ALEC so that it can provide wireline local exchange services throughout the state of Florida. For example, BST's Orlando serving area abuts Sprint's Winter Park area. Customers having a local exchange need in both Orlando and Winter Park may opt for a single provider, e.g. either BST or Sprint. While the question refers to BST as BellSouth BSE's parent, the two are actually separate affiliates of BellSouth Corporation. BSE, if it is granted a statewide certificate, will provide services differentiated from BST. For example, BSE's focus will be packages of services that will include wireline local exchange services as a component. The other components may include wireless telecommunications services, Internet access services, entertainment services, paging services and long distance services (when authorized). Additionally, BSE is seeking certification in several states beyond the traditional BST nine state area. It is BSE's intention to provide services to customers that have a multistate need and seek a single provider. For example, a customer may be headquartered in Georgia and have locations both in BST's and Sprint's territory in Florida, as well as Virginia, Ohio, and several other states. BST could not meet the customer's overall needs, while BSE could. Significantly, other CLECs could compete for this customer and BellSouth would be at a significant competitive disadvantage if it did not have a CLEC, like BSE, certified to provide services across a broad geographic area.

Further, as a general matter, the Telecommunications Act and the FCC's rules contemplate companies, such as BellSouth, having multiple entities that can provide local exchange services within the area currently operated by the incumbent LEC. For example, the FCC's Order in Docket 96-149, Joint Marketing, addresses affiliates of an ILEC providing local exchange services (e.g. paragraphs 312, 313, 314 and 315). Similarly, Section 272 of the Telecommunications Act, specifically 272(e) and (g) recognize ILEC affiliates providing local services in the same area as the ILEC.

In summary, BellSouth BSE, if certificated, will provide services that are differentiated from BST, and will do so in a manner that was contemplated by the Act and the FCC's rules. Finally, BellSouth BSE requires statewide certification in order to meet the needs of multistate customers with locations within and beyond BST's Florida serving area. These capabilities, coupled with BellSouth BSE's focus on service packages will give customers additional choices that are not currently available to them.

**Exhibit 1 to Telephonic Deposition of Robert C. Scheye
Thursday, April 2, 1998**

Robert C. Scheye's Participation in Florida PSC Proceedings

DOCKET NO.	DOCKET NAME
950984-TP	Resolution of petition(s) to establish nondiscriminatory rates, terms, and conditions for resale involving local exchange companies and alternative local exchange companies pursuant to Section 364.161, Florida Statutes
950985-TP	Resolution of petition(s) to establish nondiscriminatory rates, terms, and conditions for interconnection involving local exchange companies and alternative local exchange companies pursuant to Section 364.161, Florida Statutes
960757-TP	Petition by Metropolitan Fiber Systems of Florida, Inc. for arbitration with BellSouth Telecommunications, Inc. concerning interconnection rates, terms, and conditions, pursuant to the Federal Telecommunications Act of 1996.
960833-TP 960846-TP 960916-TP	Petitions of AT&T Communications of the Southern States, Inc., MCI Telecommunications Corporation, MCI Metro Access Transmission, Services, Inc., American Communications Services, Inc. and American Communications Services of Jacksonville, Inc. for arbitration of certain terms and conditions of a proposed agreement with BellSouth Telecommunications, Inc. concerning interconnection and resale under the Telecommunications Act of 1996.
961150-TP	Petition by Sprint Communications Company Limited Partnership d/b/a Sprint for arbitration with BellSouth Telecommunications, Inc. concerning interconnection rates, terms, and conditions, pursuant to the Federal Telecommunications Act of 1996.
960786-TL	Consideration of BellSouth Telecommunications, Inc.'s entry into interLATA services pursuant to Section 271 of the Federal Telecommunications Act of 1996.
970730-TP	Petition by Telenet of South Florida, Inc. for relief under Section 252(i) of the Telecommunications Act of 1996 with respect to rates, terms and conditions for interconnection and related arrangement with BellSouth Telecommunications, Inc.

Comparing Economics of Service Resale

Typical Business (non-PBX) Customer¹

	BSE	BST	BellSouth
Resold Revenues	\$57.66		\$57.66
Cost of Resold Services	(\$49.34)	\$49.34	\$0.00
Access Revenue		\$13.02	\$13.02
Network Cost		(\$28.14)	(\$28.14)
			<hr/>
Gross Margin			\$42.54
			Reseller-Entrant
Resold Revenues			\$57.66
Cost of Resold Services			(\$49.34)
			<hr/>
Gross Margin			\$8.32

Typical Residential Customer¹

	BSE	BST	BellSouth
Resold Revenues	\$24.69		\$24.69
Cost of Resold Services	(\$20.06)	\$20.06	\$0.00
Access Revenue		\$10.61	\$10.61
Network Cost		(\$26.33)	(\$26.33)
			<hr/>
Gross Margin			\$8.97
			Reseller-Entrant
Resold Revenues			\$24.69
Cost of Resold Services			(\$20.06)
			<hr/>
Gross Margin			\$4.63

¹ Typical residential and business customer revenue profile from BellSouth Exhibit AJV-1, Docket 97-1140-TP (Testimony of Alphonso Varner).

FLOUIDA PUBLIC SERVICE COMMISSION
 DOCKET
 NO. 971065-TX EXHIBIT NO. 5
 COMPANY/ BellSouth
 WITNESS: _____
 DATE: 4-27-98

<u>State</u>	<u>Company</u>	<u>Docket #</u>	<u>Date</u>
CALIFORNIA	GTE	R-95 04-043 I-95 04-044	12/30/95 2/23/96
NORTH CAROLINA	GTE	P-446, Sub 1	4/16/97
NORTH CAROLINA	SPRINT	P-294, Sub 1	3/24/97
SOUTH CAROLINA	GTE	97-240-C; ^{ORDER} 97-736	9/12/97
SOUTH CAROLINA	BSE	97-361-C; ^{ORDER} 97-1063	12/23/97
SOUTH CAROLINA	SPRINT	96-250-C; ^{ORDER} 96-837	12/3/96
TENNESSEE	SPRINT	96-01153	10/3/96
VIRGINIA	SPRINT	PUC 960086	11/8/96
WASHINGTON	SPRINT	WT-971049	9/19/97
WASHINGTON	AMENDED	WT-971048	7/9/97
WISCONSIN	AMERITECH	139-NC-100	11/26/96

FLORIDA PUBLIC SERVICE COMMISSION
 DOCKET
 NO. 971065-7X EXHIBIT NO 6
 COMPANY/
 WITNESS: BellSouth - BSE
 DATE: 4-27-98

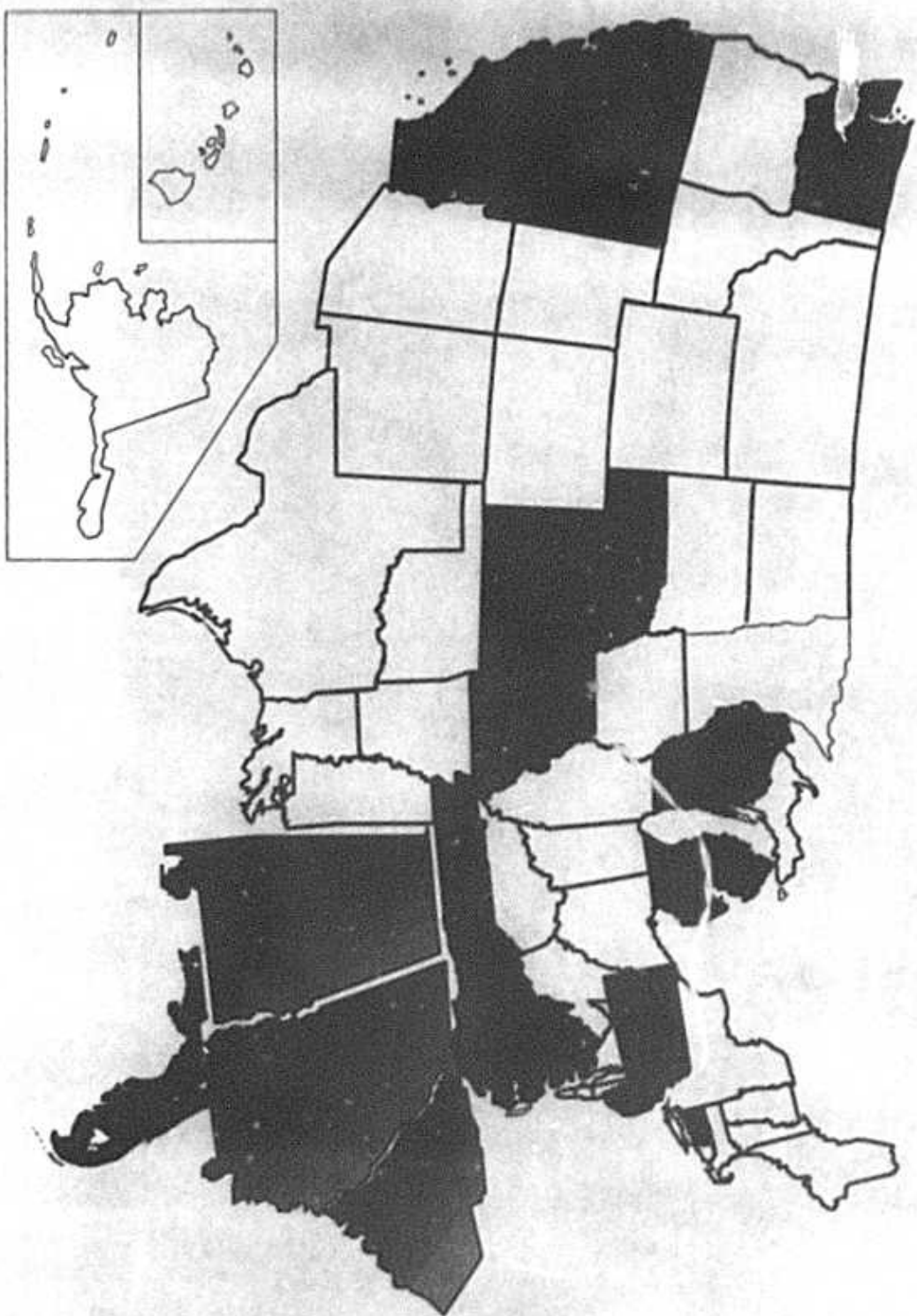
CLECs Approved in Affiliate's ILEC Territory

STATE	ILEC	CLEC	DATE OF ORDER
California	GTE	Approved	12/30/95 & 2/23/96
Connecticut	SNET	Approved	6/25/97
Florida	GTE	Approved	2/24/97
Florida	SPRINT	Approved	12/28/95
Georgia	BELLSOUTH	Approved	3/5/98
Kansas	SPRINT	Approved	8/7/96
Michigan	AMERITECH	Approved	8/28/96
Missouri	Sprint	Approved	2/28/97
Nebraska	SPRINT	Approved	3/10/97
Nevada	SPRINT	Approved	11/17/97
New Jersey	SPRINT	Approved	7/17/96
North Carolina	GTE	Approved	4/16/97
North Carolina	SPRINT	Approved	3/24/97
Pennsylvania	SPRINT	Approved	
South Carolina	GTE	Approved	9/12/97
South Carolina	SPRINT	Approved	12/3/96
Tennessee	SPRINT	Approved	10/3/96
Virginia	SPRINT	Approved	11/8/96
Washington	SPRINT	Approved	7/9/97
Wisconsin	AMERITECH	Approved	11/26/96

* Approved by PSC, protests filed.

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 971056-TX EXHIBIT NO. 1
COMPANY/ Schuel
WITNESS: 4-22-98
DATE: 4-22-98

CLECs Approved in Affiliate's ILEC Territory



Docket No. 8043-U

In Re: **BellSouth BSE, Inc. Application for Certificate of Authority to Provide
Local Exchange Telephone Service**

Recommendation of the Hearing Officer.

On September 9, 1997, BellSouth BSE, Inc. ("Applicant" or "BSE") filed with the Georgia Public Service Commission ("Commission") an application for a certificate of authority to provide local exchange telephone service. This application was made pursuant to O.C.G.A. § 46-5-163. Under the authority granted the Commission in O.C.G.A. § 46-2-7, this matter was assigned for hearing before a hearing officer and on December 15, 1997, the hearing was held.

Numerous parties filed petitions or applications for intervention. Those parties are the Consumers' Utility Counsel ("CUC"); MCI Telecommunications Corporation and MCI Access Transmission Services (collectively referred to hereafter as "MCI"); BellSouth Telecommunications ("BST"); DeltaCom, Inc. ("DeltaCom"); Access Integrated Networks, Inc. ("Access"); Georgia Comm South, Inc. ("Georgia Comm"); ICG Telecom Group ("ICG"); AT&T Communications of the Southern States, Inc. (AT&T); American Communications Services, Inc. ("ACSI"); Teleport Communications Atlanta ("Teleport"); the Georgia Public Communications Association, Inc. ("GPCA"); and NEXtLink Georgia, Inc. ("NEXtLink"). No objection was raised to the intervention of any of the above mentioned parties and all were granted intervention.

At the hearing on December 15, the Applicant sponsored the testimony of Mr. Robert Scheye, Vice President, Supplier Development and Business Relations for the Applicant. A number of intervenors (MCI, DeltaCom, AT&T, ACSI, and ICG) sponsored the testimony of Mr. L. G. Sather, President of Synergy-1 Resource & Consulting, Inc.

At the direction of the hearing officer, the Applicant filed a correction to its tariff on December 22, 1997. All parties were given an opportunity to review the tariff correction and request an additional hearing if they so desired. However, no party requested the additional hearing. Post hearing briefs and reply briefs were filed on January 14, 1998 and January 21, 1998, respectively.

Evidence presented by the Applicant and the intervenors is uncontroverted on whether the Applicant has the technical capability to provide the services for which it is applying. The Applicant is staffed and operated by personnel with a experience in the telecommunications industry. Many, if not all, of these personnel who transferred to the Applicant's organization came from BellSouth Telecommunications, Inc.

There is some dispute, however, as to whether the Applicant could, as a stand-alone entity, be financially able to support the provision of competitive local service. The Applicant has stated that it will rely upon the resources of its parent, BellSouth Corporation for financial support in the initial phase of its provision of competitive local exchange service. The need for financial support from an affiliate to an applicant has not been sufficient cause to make this Commission deny certification. Many of the competing local exchange carrier applicants are startup companies. That the parent affiliate of the Applicant is also the parent affiliate of the incumbent local exchange carrier is not a fact, which will disqualify the Applicant from certification.

The critical issue that is raised in this proceeding stems from the affiliate relationship the Applicant has with the predominant incumbent local exchange carrier in Georgia, BellSouth Telecommunications, Inc. Testimony presented by the intervenors raises questions as to whether the service expected to be provided by the Applicant will indeed be in competition with BST. Or, will the entry of the Applicant into the local exchange market simply garner for the parent corporation an even larger share of the market in Georgia and thereby thwart the movement toward telecommunication competition in the state. The Applicant argues that the question of its affiliation with the incumbent local exchange carrier should not even be considered. They argue that the law in Georgia governing the certification of competitive local exchange carriers requires certification upon the applicant's meeting the technically and financially capable standards.

The intervening parties, though in opposition to the granting of a certificate to the Applicant to serve the same exchanges as BST, are generally not opposed to a granting of a certificate to the Applicant to serve the exchanges that are outside the BST service area. Such positions advocate that any certificate of authority that may be granted should carry with it certain conditions that restrict the service territory to that not presently served by BST. Support for such positions are found in the decisions by other state's commissions in denying

an incumbent local exchange carriers affiliate a competing local exchange certificate. The decision by the Texas Public Utility Commission (Docket No. 16495, November 20, 1997) cited as support for denying the Applicant certification, is distinguishable in that that decision was based upon specific Texas laws.

Further evidence shows that the Applicant will not have any advantage over any other competing local exchange carrier when it comes to the rates it will pay for the services it resells. The Applicant will receive the same terms, conditions and prices for all services it receives from BellSouth Telecommunications, Inc. that are available to all other competing local exchange carriers.

While there is not any sufficient cause for denying the Applicant a certification, there are certain conditions that may be imposed. The Applicant shall use the same operating system support (OSS) as all other competing local exchange carriers use. The Applicant should not, because of its affiliation, have an advantage in the ordering of service for its customers. The Applicant should have no greater access to customer service records than any other competing local exchange carrier. Testimony of the Applicant is that it will not offer any services to its customers that are not also offered by the incumbent local exchange carrier, BellSouth Telecommunications.

Certain reporting requirements shall also be imposed. An annual filing with the Commission demonstrating that the Applicant is not pricing below cost and that cross-subsidization from BellSouth Telecommunications is not occurring. Additionally, on a quarterly basis, the Applicant shall file with the Commission, under Trade Secret protection, an report showing the number of customers who have migrated to the Applicant from BellSouth Telecommunications, and the revenues the Applicant has gained from this migration. Included in this quarterly filing shall be a schedule or schedules, demonstrating the number units purchased from BellSouth Telecommunications, Inc., and the price per unit paid to BellSouth Telecommunications, Inc.

WHEREFORE, it is

ORDERED, that the above numbered certificate is hereby granted to BellSouth BSE, Inc, whose principal business address is 2727 Pace Ferry Road, Suite 1100, Atlanta, Georgia

30339, to provide resold competitive local exchange telecommunications services.

ORDERED FURTHER, that BellSouth BSE, Inc, is hereby granted authority to provide resold local exchange telecommunications services in the following exchange:

Acworth	Covington	Lawrenceville	Savannah
Adairville	Cumming	Leary	Senola
Albany	Cuseeta	Leeburg	Smithville
Alpharetta	Dallas	Lithonia	Smyrna
Americus	Douglasville	Loganville	Social Circle
Appling	Dublin	Louisville	Sparks
Arlington	Duluth	Lula	Sparta
Athens	Eastman	Lumber City	Stockbridge
Atlanta	Easton	Lumpkin	Stone Mountain
Augusta	Elberton	Luthersville	Suwanboro
Austell	Fairburn	Lyons	Sylvester
Baconton	Fayetteville	Macon	Tallapoosa
Bainbridge	Flowerly Branch	Madiison	Temple
Barnesville	Forsyth	Marietta	Tennga
Baxley	Fort Valley	McCayville	Thomasville
Blackshear	Franklin	McDonough	Thomson
Bogart-Stratham	Gainesville	Millen	Tifton
Bowdon	Gay	Monticello	Tucker
Bremen	Gibson	Newman	Tybee Island
Brunswick	Granville	Newton	Valdosta
Buchanan	Greensboro	Norcross	Vadalia
Buford	Greenville	Palmetto	Villa Rica
Calhoun	Griffin	Panola	Wadley
Camilla	Hamilton	Pelham	Warner Robins
Carrollton	Hampton	Pine Mountain	Warrenton
Cartersville	Harlem	Pooler	Watkinsville
Cave Spring	Hazlehurst	Richland	Waycross
Cedartown	Hephzibah	Rockmart	Waynesboro
Chamblee	Hogansville	Pone	Woodsbury
Claxton	Jackson	Roopville	Woodstock
Clermont	Jekyll Island	Rossville	Wrens
Cochran	Jesup	Royston	Wrightsville
Colquitt	Johnson Corner	Ruledge	Zebulon
Columbia	Jonesboro	St. Simons Island	
Concord	Kingston	Sandersville-	
Conyers	LaGrange	Tennille	
Cordele	Lake Park	Serdis	

ORDERED FURTHER, that tariff filed by the Applicant is hereby approved.

ORDERED FURTHER, that BellSouth BSE shall on all advertisements and announcements pertaining to this certification and the service which it will provide pursuant to this certification, place a disclaimer that it is not the same entity as the incumbent local exchange carrier, BellSouth Telecommunications.

ORDERED FURTHER, that granting this certificate of authority to BellSouth BSE, Inc. does not relieve BellSouth Telecommunications of any of its incumbent local exchange carrier responsibilities, or obligations, under the Georgia Telecommunications and Development Act and the Federal Telecommunications Act of 1996.

ORDERED FURTHER, that if BellSouth, BSE proposes to acquire or build any facilities, including switching, they must first come to this Commission and seek an amendment to this certificate.

ORDERED FURTHER, that BellSouth BSE shall file with the Commission on an annual basis information demonstrating that it is not pricing below cost and that cross-subsidization from BellSouth Telecommunications, Inc. is not occurring.

ORDERED FURTHER, that BellSouth BSE shall on a quarterly basis file with this Commission a report showing the number of customers who have migrated to it from BellSouth Telecommunications, Inc., the revenues gained from such migrations, the number of units purchased from BellSouth Telecommunications, Inc. and the price per unit paid to BellSouth Telecommunications.

ORDERED FURTHER, that the interim certificate is issued subject to the conditions adopted by the Commission in Docket No. 5771-U and subject to all other applicable requirements and rules of the Commission.

ORDERED FURTHER, that BellSouth BSE, Inc. shall contribute to the Universal Access Fund as prescribed in Docket No. 5825-U.

ORDERED FURTHER, that jurisdiction over this matter is expressly retained for the purpose of entering such further Order or Orders as this Commission may deem just and proper.

ORDERED FURTHER, that any motion for reconsideration or rehearing in this case shall not have the effect of staying this Order of Commission, except insofar as the Commission may otherwise provide.

BY ORDER OF THE GEORGIA PUBLIC SERVICE COMMISSION, this ___ day of March 1998.

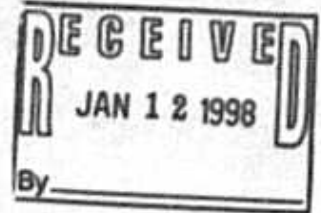
Deborah Flannagan
Assistant Executive Secretary

Mac Barber
Chairman

Date: _____

Date: _____

Docket No. 8043-U
Page 6 of 6



BEFORE

THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 97-361-C - ORDER NO. 97-1063

DECEMBER 23, 1997

IN RE: Application of BellSouth BSE, Inc.)	ORDER
for a Certificate of Public Convenience)	APPROVING
and Necessity to Provide Local Exchange)	CERTIFICATE TO
Telecommunications Services in the State)	PROVIDE LOCAL
of South Carolina.)	SERVICE

This matter comes before the Public Service Commission of South Carolina ("the Commission") by way of the Application of BellSouth BSE, Inc. ("BSE" or "the Company"). The Application requests that the Commission issue a Certificate of Public Convenience and Necessity authorizing BSE to provide local telephone service in the State of South Carolina. The Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 1996), and the Regulations of the Commission.

By letter, the Commission's Executive Director instructed BSE to publish, one time, a prepared Notice of Filing and Hearing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing and Hearing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings and to provide notice of the hearing date on this matter. BSE complied with this instruction and provided the Commission with proof of publication of the Notice of Filing and

Hearing. Petitions to Intervene were received from the South Carolina Telephone Coalition ("SCTC"), MCI Telecommunications Corporation (MCI) and MCI Metro Access Trans. (Metro) (also collectively known as MCI), South Carolina Cable Television Association (SCCTA), AT&T Communications of the Southern States, Inc. (AT&T), and American Communications Services, Inc. (ACSI).

A hearing was convened on November 5, 1997, at 2:30 p.m. in the Commission's Hearing Room. The Honorable Guy Butler, Chairman, presided. BSE was represented by Harry M. Lightsey, III, Esquire and Kevin A. Hall, Esquire. MCI and Metro were represented by John M.S. Hoefer, Esquire. SCCTA was represented by B. Craig Collins, Esquire. AT&T was represented by Francis P. Mood, Esquire and Steve A. Matthews, Esquire. ACSI was represented by Russell B. Shetterly, Esquire. The Commission Staff ("Staff") was represented by F. David Butler, General Counsel. SCTC did not appear at the hearing.

Prior to the hearing, BSE and the SCTC executed a Stipulation. The Stipulation was filed with the Commission prior to the hearing in this matter. As a result of the Stipulation, SCTC withdrew its intervention in the Docket. The Stipulation provides the following:

- (1) The SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to BSE if the Commission makes the necessary findings to grant the Certificate and if all stipulated conditions are met;
- (2) BSE agrees that any Certificate granted by the Commission will authorize BSE to provide service only to customers located in non-rural local exchange company ("LEC") service areas except as

otherwise provided;

- (3) BSE agrees that it is not requesting the Commission to find whether competition is in the public interest for rural areas;
- (4) BSE agrees that it will not provide local service, by its own facilities or otherwise, to any customer in a rural incumbent LEC's service area, unless and until BSE provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. BSE also acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause;
- (5) BSE agrees that if, after BSE gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or the Commission institutes a proceeding of its own, then BSE will not provide service to any customer located within the service area in question without prior and further Commission approval;
- (6) BSE acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures and guidelines do not conflict with Federal or State law;
- (7) BSE and the SCTC agree that all rights under Federal and State law are reserved to the rural incumbent LECs, and that the stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled; and

- (8) BSE agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

This stipulation is consistent with our decision in Order No. 96-494 (Docket No. 96-073-C). It was signed voluntarily by both the SCTC and BSE and was filed with the Commission prior to the hearing in this matter. We therefore approve the stipulation.

In support of its Application, BSE presented Robert C. Scheye, Vice-President, to testify. The purpose of Mr. Scheye's testimony was (1) to demonstrate that BSE possesses sufficient technical, managerial, and financial resources and abilities to provide the services for which BSE seeks authority and (2) to show that the granting of this authority to BSE is in the public interest.

DISCUSSION

S.C. Code Ann. §58-9-280 (Supp. 1997) provides that the Commission may grant a certificate to operate as a telephone utility ... to applicants proposing to furnish local telephone service in the service territory of an incumbent LEC.

After full consideration of the applicable law, BSE's Application, and the evidence presented at the hearing, the Commission finds and concludes that the Certificate sought by BSE should be granted. The Commission's determination is based on the following criteria as provided in S.C. Code Ann. §58-9-280 (Supp. 1996) and the evidence presented at the hearing which relates to that criteria:

(1) The Commission finds that BSE possesses the technical, financial, and managerial resources sufficient to provide the services requested. S.C. Code Ann. §58-9-280(B)(1) (Supp. 1997). Mr. Scheye testified that BSE's technical ability is based upon that shown by the vast experience and financial qualifications of its ultimate parent, BellSouth Telecommunications, Inc. (BST), which furnished independent employees for BSE. We believe that because of this experience, BSE's management has an exceptional understanding of the importance of customer care, billing, and the operation of a telecommunications network.

No other party offered any evidence in opposition to Mr. Scheye's testimony on these points. Based on the undisputed evidence of the record, the Commission finds that BSE possesses the technical, financial, and managerial resources sufficient to provide the services requested.

(2) The Commission finds that BSE will provide services that will meet the service standards of the Commission. S.C. Code Ann. §58-9-280(B)(2) (Supp. 1997). Mr. Scheye testified that BSE intends to provide local exchange services. Mr. Scheye specifically stated that BSE will comply with all applicable rules, policies, and statutes applicable to the offering of those services and that BSE fully intends to meet the Commission's service standards. Furthermore, Mr. Scheye stated that BSE would make certain changes to its tariff, as suggested by Staff, to bring the tariff into compliance with Commission Rules and Regulations. No party offered any evidence to dispute Mr. Scheye's testimony.

Based on the undisputed testimony from Mr. Scheye, the Commission believes, and so finds, that BSE will provide telecommunications services which will meet the service standards of the Commission.

(3) The Commission finds that BSE's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. §58-9-280(B)(3) (Supp. 1996). Mr. Scheye stated that BSE's service offerings would not adversely impact the availability of affordable local exchange service. Mr. Scheye offered that certification of BSE would serve the public interest through enhanced competition in the market for local services. BSE noted that it wished to provide integrated "one stop shopping" for all their telecommunications and related services. No party offered any evidence that the provision of local exchange service by BSE would adversely affect local rates. Therefore, based on the undisputed evidence of record, the Commission finds that provision of local exchange services by BSE will not adversely impact affordable local exchange service.

(4) The Commission finds that BSE will support universally available telephone service at affordable rates. S.C. Code Ann. §58-9-280(B)(4) (Supp. 1997). The Stipulation with SCTC shows that BSE will comply with the Commission's universal service requirements. Based on the undisputed evidence of record, the Commission finds that BSE will participate in support of universally available telephone service at affordable rates.

(5) The Commission finds that the provision of local exchange service by BSE "does not otherwise adversely impact the public

interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 1997). Mr. Scheye offered that approval of BSE to provide local telecommunications services will benefit consumers by increasing competition. Through the promotion of competition, Mr. Scheye offers that telephone companies will be forced to provide high quality services at competitive rates, which will ultimately benefit the consumers. Mr. Scheye noted that BSE would interface with BST like any other competitive local exchange carrier. Mr. Scheye's testimony was undisputed as no party offered any evidence that approval of BSE's Application would adversely impact the public interest. Therefore, the Commission finds that approval of BSE's Application for a Certificate to provide local exchange service "does not otherwise adversely impact the public interest." S.C. Code Ann. §58-9-280(B)(5) (Supp. 1997).

MCI made two Motions at the hearing which we must discuss. The two Motions, made at the close of the hearing on this matter, were as follows: (1) that the Commission should dismiss the application for want of jurisdiction because its application did not contain a price list; and (2) that BSE should not be certificated as an incumbent local exchange company (ILEC) pursuant to South Carolina law, because of its affiliate nature with BST. We have examined both of these Motions, and we must deny them.

MCI's first Motion is based on the fact that BSE's filing does not contain a piece of paper specifically labeled "price list." MCI's argument ignores the fact that BSE's filing does contain a proposed tariff that meets all Commission requirements for a tariff

and a price list. Further, BSE has committed to this Commission that before it begins to provide service in South Carolina, it will file for Commission approval of a tariff and final price list which will include all regulated service offerings. We think that, under the circumstances, BSE has met the statutory requirements of SC Code Ann. Section 58-9-280(B). Having a meaningful separate price list prior to the establishment of an interconnection agreement with other carriers, or without fully constructing the facilities necessary to provide the service is an impossibility. Therefore, we hold that BSE did everything it could to furnish an appropriate "price list" under the circumstances of the case, and we deny MCI's first Motion.

MCI's second Motion was based on the statutory definition of an ILEC found at S.C. Code Ann. Section 58-9-10(11) (Supp. 1997). MCI alleges, and other intervenors agree, that BSE, being an affiliate of BST, is therefore an ILEC, and may not provide service in BST's territory. We disagree. The term "incumbent local exchange carrier" is defined to mean any entity which provides local exchange service "pursuant to a certificate of public convenience and necessity issued by the Commission before July 1, 1995." As BSE points out in its brief, it was not even incorporated until July 17, 1997. Therefore, should we award BSE a certificate through the present application, it will be operating pursuant to a certificate issued after December 31, 1995. Therefore, BSE will be, by statutory definition, a "new entrant LEC," which is defined to mean "a telecommunications company holding a certificate of

public convenience and necessity issued by the Commission pursuant to Section 59-9-280(B) after December 31, 1995 to provide local exchange services within a certificated geographic area of the State." See S.C. Code Section 58-9-10(13)(Supp. 1997). MCI's second Motion must be denied,

Therefore, based on the findings above, the Commission finds and concludes that the Certificate sought by BSE should be granted.

IT IS THEREFORE ORDERED THAT:

1. The Application of BSE for a Certificate of Public Convenience and Necessity authorizing BSE to provide all forms of local telephone service in the State of South Carolina, except as described and excepted below.
2. The Stipulation filed by BSE and the SCTC is approved by this Commission, is binding upon BSE and the SCTC, and shall be implemented as set forth in the Stipulation. We therefore make no findings or conclusions regarding competition in the rural areas of South Carolina. BSE shall conduct its operations in compliance with the Stipulation until further Order of the Commission.
3. BSE shall file, prior to offering local exchange services in South Carolina, a final tariff of its service offerings. The final tariff shall include any modifications and changes as proposed by the Commission Staff and to which BSE agreed.
4. BSE shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, and tests and repairs.

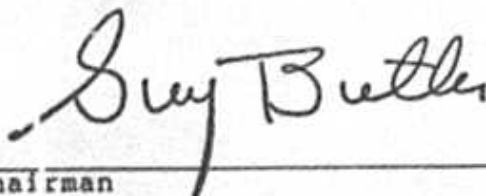
In addition, BSE shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. BSE shall file with the Commission the names, addresses, and telephone numbers of these representatives within thirty (30) days of receipt of this Order. (Attachment A shall be utilized for the provision of this information to the Commission.) Further, BSE shall promptly notify the Commission in writing if the representatives are replaced. BSE is directed to comply with all Commission regulations unless expressly waived by the Commission.

5. BSE shall conduct its business in accordance with Commission decisions and Orders, both past and future, including, but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

6. The Motions of MCI and Metro are denied.


7. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Chairman

ATTEST:



Deputy Executive Director

(SEAL)

DOCKET NO. 97-361-C - ORDER NO. 97-1063
DECEMBER 23, 1997
ATTACHMENT A

INFORMATION OF THE AUTHORIZED UTILITY REPRESENTATIVES
FOR INTEREXCHANGE, LOCAL AND AOS COMPANIES

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION
REGULATION 103-612.2.4(b), each utility shall file and
maintain with the Commission the name, title, address, and
telephone number of the persons who should be contacted in
connection with Customer Relations/Complaints.

Company Name/DBA Name

Business Address

City, State, Zip Code

Authorized Utility Representative (Please Print or Type)

Telephone Number

Fax Number

E-Mail Address

This form was completed by

Signature

If you have any questions, contact the Consumer Services
Department at 803-737-5230



STATE OF ALABAMA
ALABAMA PUBLIC SERVICE COMMISSION
P. O. BOX 991
MONTGOMERY, ALABAMA 36101-0991

JIM SULLIVAN, PRESIDENT
JAN COOK, ASSOCIATE COMMISSIONER
CHARLES B. MARTIN, ASSOCIATE COMMISSIONER

WALTER L. THOMAS, JR.
SECRETARY

BELLSOUTH BSE, INC.,

Applicant

APPLICATION: For a Certificate of Public Convenience and Necessity to provide Local Telecommunications Service.

DOCKET 26192

REPORT AND ORDER

BY THE COMMISSION:

This Order is substituted for and takes the place of the Order of February 6, 1998, under Docket 26192.

By application filed on or about October 15, 1997, BellSouth BSE, Inc., 2727 Paces Ferry Road, Suite 1100, Atlanta, Georgia 30339, seeks a Certificate of Public Convenience and Necessity to provide local telecommunications service in the State of Alabama.

Pursuant to notice dated October 24, 1997, the application was heard on November 19, 1997. American Communication Services, Inc. (ACSI); MCI Telecommunications Corporation (MCI); MCImetro Access Transmission Services, Inc. (MCImetro); Deltacom, Inc.; AT&T Communications of the South Central States, Inc. (AT&T); and the Office of the Alabama Attorney General intervened and participated in the hearing and the staff also participated. The Applicant sponsored one witness. ACSI, Deltacom, MCI and MCImetro jointly sponsored one witness.

It appears from the record in this proceeding, and we find, that the Applicant has demonstrated that it possesses the technical, managerial and financial resources to provide the services proposed. It further appears that the Applicant has demonstrated that the public interest would be best served by its proposed operations. Accordingly, it appears that the Applicant should be granted a certificate authorizing the provision of local

DOCKET 26192 - #2

exchange service which is consistent with the services similarly situated applicants have been authorized to provide. The local exchange services authorized herein must be provided in compliance with the rules and regulations governing such service established by the Commission in its Local Competition proceedings in Dockets 24030, 24472, 24499 and 24855, as well as all other applicable rules and regulations of the Commission. Further, the Applicant's certification to provide local exchange service will expire in one (1) year if the Applicant has not submitted for Commission approval an interconnection/resale contract or agreement for local service and has not filed a final tariff governing said service.

IT IS, THEREFORE, ORDERED BY THE COMMISSION, That a Certificate of Public Convenience and Necessity is hereby issued to BellSouth BSE, Inc., 2727 Paces Ferry Road, Suite 1100, Atlanta, Georgia 30339, authorizing operations as a Local Exchange telecommunications carrier in all areas of the State of Alabama as authorized by this Commission in its September 20, 1995, Report and Order in Dockets 24030, 24472, 24499 and 24865; provided, however that service under this Certificate may be commenced only after the Applicant has complied with all orders, rules and regulations that have and shall be promulgated by the Commission under Dockets 24030, 24472, 24499 and 24865.

IT IS FURTHER ORDERED BY THE COMMISSION, That the Local Exchange telecommunications services herein authorized may be commenced only after the Applicant has filed with this Commission a final tariff governing the services authorized herein and an interconnection/resale contract or agreement with all applicable incumbent local exchange carriers. Unless the Applicant complies with these requirements within one (1) year after the date of this Order, or within such additional time as may be authorized by the Commission, the grant of authority made in this Order shall be considered as null and void and the application shall stand denied in its entirety effective upon the expiration of said compliance time.

IT IS FURTHER ORDERED BY THE COMMISSION, That the Applicant shall not commence operations until such time as the Applicant has submitted tariffs governing said services which have been approved by the Commission.

IT IS FURTHER ORDERED BY THE COMMISSION, That the Applicant shall file annual reports and shall maintain adequate books of account and financial records in accordance with the rules and regulations promulgated by this Commission. Said books and records shall separate the telephone service from all other businesses in which the Applicant may be engaged.

IT IS FURTHER ORDERED BY THE COMMISSION, That the Applicant shall render sufficient and continuous service in accordance with the rules and regulations of the Commission and the Certificate of Public Convenience and Necessity issued herein.

IT IS FURTHER ORDERED BY THE COMMISSION, That jurisdiction in this cause is hereby retained for any further order or orders as this Commission may find just and reasonable in the premises.

IT IS FURTHER ORDERED, That this Order shall be effective as of the date hereof.

DONE at Montgomery, Alabama, this *20th* day of February, 1998.

ALABAMA PUBLIC SERVICE COMMISSION

Jan Cook
Jan Cook, Commissioner

Charles B. Martin
Charles B. Martin, Commissioner

ATTEST: A True Copy

Walter L. Thomas, Jr.
Walter L. Thomas, Jr., Secretary

COMMISSION PRESIDENT JIM SULLIVAN VOTES NO.

EXHIBIT Q - 16(A)(1)

Income Statement

BellSouth BSE, Inc.

PRELIMINARY

(All numbers in 000s.)

	1997	1998	1999	2000	2001	2002
Customers (000s)						
Number of Customers						
Mass Market	-	325	954	1,154	1,197	1,242
Business	-	13	39	60	92	118
Number of Access Lines						
Mass Market	-	385	1,134	1,373	1,424	1,477
Business	-	128	383	638	894	1,149
(\$000s)						
Revenue						
Mass Market	-	183,158	1,003,303	1,319,612	1,759,033	1,920,756
Local/Intrastate		45,577	306,303	476,809	581,058	612,773
Long Distance		11,308	67,879	93,753	102,867	112,368
Intrastate		35,809	214,951	296,883	325,747	355,825
Cellular		42,245	289,880	456,178	538,283	587,544
Intrastate		548	3,758	5,915	6,879	7,618
Intrastate		3,296	22,257	34,761	40,926	44,892
Video		14,378	92,578	156,234	183,174	189,938
Business	-	162,241	962,522	1,472,363	2,152,330	2,681,812
Local/Intrastate		92,207	583,243	873,541	1,290,300	1,747,082
Long Distance		70,034	389,280	598,822	862,130	934,731
Total Revenue	-	315,400	1,965,825	2,991,974	3,911,363	4,602,568
Expense						
Mass Market						
Cost of Services						
Sold (COSS)	-	116,619	761,568	1,221,109	1,373,649	1,424,805
Sales, Service,						
General and Admin						
(SSG&A)	4,216	133,668	170,627	183,461	198,042	205,504
Business						
COSS	-	120,334	662,258	923,349	1,292,170	1,505,395
SSG&A	5,337	58,341	111,716	194,839	280,780	330,155
Common						
SSG&A	18,816	65,825	47,338	53,785	53,568	55,274
Total Expense	28,369	416,806	1,753,502	2,576,542	3,178,209	3,521,134
Gross Margin	(28,369)	(177,406)	202,323	415,432	733,154	1,081,434

9

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 971056-TX EXHIBIT NO 9
COMPANY/ WITNESS: ECCALINGT
DATE: 4-29-98

Income Statement

BellSouth BSE, Inc.

PRELIMINARY
(All numbers in 000s.)

	1997	1998	1999	2000	2001	2002
Depreciation	965	2,006	4,298	7,396	9,649	10,521
Property Tax	29	93	184	291	321	289
Gross Receipts Tax	-	2,839	17,602	26,828	35,202	41,423
Uncollectibles	-	9,462	58,675	74,799	97,794	92,051
Earnings Before Interest and Taxes	(28,962)	(191,896)	121,566	306,018	690,198	637,150
Taxes	(10,137)	(87,160)	47,410	119,347	230,177	365,488
Net Income	(18,825)	(124,728)	74,156	186,671	360,021	571,661
Free Cash Flow	(19,100)	(123,946)	(83,012)	90,796	273,328	494,845
Capital Spending						
Mass Market	1,901	528	646	162	1,911	473
Business	550	2,321	3,842	11,462	557	2,321
Common	3,199	5,910	9,856	5,233	3,199	5,910
Total Capital	5,650	8,759	14,144	16,858	5,667	8,704

EXHIBIT Q - 16(A)(2)

Balance Sheet

BellSouth BSE, Inc.

All Numbers in \$000s.

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Assets						
Current Assets						
Cash	-	-	-	-	-	-
Accounts Receivable	-	53,618	332,490	508,636	664,932	782,437
Inventory	-	-	-	-	-	-
Total Current Assets	-	53,618	332,490	508,636	664,932	782,437
Property, Plant and Equipment						
Equipment	5,650	14,409	28,553	45,411	51,078	59,782
Accumulated Depreciation	565	2,571	6,867	14,264	23,913	34,433
Net PPE	5,085	11,838	21,686	31,147	27,166	25,348
Total Assets	5,085	65,456	354,176	539,783	692,097	807,785
Liabilities						
Accounts Payable	4,596	65,156	195,790	284,443	349,589	388,751
Deferred Taxes	215	805	1,725	2,802	3,278	2,987
Total Liabilities	4,811	65,962	197,515	287,245	352,868	391,739
Stockholders' Equity						
Total Stockholders' Equity	275	(506)	156,661	252,538	339,230	416,047

INTERROGATORY 16: Does BSE intend to compete with BellSouth for BellSouth's existing customers and/or new customers by offering prices lower than BellSouth's prices? Please explain your answer.

RESPONSE: BSE has not determined the retail prices for its services in the state of Florida.

Response provided by: Robert Scheye
BellSouth BSE, Inc.
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Suite 1100
Atlanta, Georgia 30339

10

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 971056-TX EXHIBIT NO. 10
COMPANY/
WITNESS: Scheye/BellSouth
DATE: 4-27-98

EXHIBIT 11

Type of Service	AL		FL		GA		KY		LA	
	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?
1 Grandfathered Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2 Contract Service Arrangements	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Note 5	Note 5
3 Promotions - > 90 Days	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4 Promotions - < 90 Days	Yes	No	Yes	No	Yes	No	No	No	Yes	No
5 Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes
6 911/E911 Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No
7 N11 Services	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
8 AdWatch SM (See Note 8)	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9 MemoryCall SM	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
10 Mobile Services	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
11 Federal Subscriber Line Charges	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
12 Non-Recurring Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Type of Service	MS		NC		SC		TN	
	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?	Resale?	Discount?
1 Grandfathered Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2 Contract Service Arrangements	Note 5	Note 5	Note 6	Yes	Yes	No	Yes	Yes
3 Promotions - > 90 Days	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Note 3
4 Promotions - < 90 Days	Yes	No	No	No	Yes	No	No	No
5 Lifeline/Link Up Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Note 4
6 911/E911 Services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7 N11 Services	No	No	No	No	Yes	Yes	Yes	Yes
8 AdWatch SM (See Note 8)	Yes	No	Yes	No	Yes	No	Yes	No
9 MemoryCall SM	Yes	No	Yes	No	Yes	No	Yes	No
10 Mobile Services	Yes	No	Yes	No	Yes	No	Yes	No
11 Federal Subscriber Line Charges	Yes	No	Yes	No	Yes	No	Yes	No
12 Non-Recurring Charges	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No

Additional Comments:

- Grandfathered services can be resold only to existing subscribers of the grandfathered service.
- Where available for resale, promotions will be made available only to end users who would have qualified for the promotion had it been provided by BellSouth directly.
- In Tennessee, long-term promotions (offered for more than ninety (90) days) may be obtained at one of the following rates:
 - the stated tariff rate, less the wholesale discount;
 - the promotional rate (the promotional rate offered by BellSouth will not be discounted further by the wholesale discount rate)
- Lifeline/Link Up services may be offered only to those subscribers who meet the criteria that BellSouth currently applies to subscribers of these services. In Tennessee, BSE shall purchase BellSouth's Message Rate Service at the stated tariff rate, less the wholesale discount. BSE must further discount the wholesale Message Rate Service to Lifeline customers with a discount which is no less than the minimum discount that BellSouth now provides. BSE is responsible for recovering the Subscriber Line Charge from the National Exchange Carriers Association interstate toll settlement pool just as BellSouth does today. The maximum rate that BSE may charge for Lifeline Service shall be capped at the flat retail rate offered by BellSouth.
- In Louisiana and Mississippi, all Contract Service Arrangements entered into by BellSouth or terminating after the effective date of the Commission Order will be subject to resale without the wholesale discount. All CRAs which are in place as of the effective date of the Commission order will not be eligible for resale.
- In North Carolina, only those Contract Service Arrangements entered into after April 15, 1997 will be available for resale.
- Some of BellSouth's local exchange and toll telecommunications services are not available in certain central offices and areas.
- AdWatchSM is tariffed as BellSouthSM ADN Virtual Number Call Detail Service

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DOCKET

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