BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 97-101-C - ORDER NO. 97-769

SEPTEMBER 5, 1997

IN RE: Entry of BellSouth Telecommunications, Inc. into InterLATA Toll Market	)))	ORDER DENYING PETITION

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Petition for Rehearing or Reconsideration of our Order No. 97-640, filed in this Docket by the South Carolina Cable Television Association (SCCTA). Responses to the Petition were filed by BellSouth Telecommunications, Inc. (BST) and BellSouth Long Distance, Inc. (BSLD). (The Companies shall be referred to collectively as BellSouth.) Because of the reasoning stated below, the Petition must be denied.

First, SCCTA alleges that Order No. 97-640 erroneously approved the Statement of General Terms and Conditions (SGAT) pursuant to Section 252(f) of the Telecommunications Act of 1996 (the Act). According to SCCTA, Section 252(f)(2) prohibits a state commission from approving an SGAT unless the SGAT complies with various statutory and regulatory pricing and other standards. SCCTA furthers asserts that the SGAT's prices do not comply with the cost-based pricing standards of Section 252(d), and that the SGAT fails to provide non-discriminatory access to unbundled

network elements in non-compliance with Section 251. These allegations are without merit.

In Order No. 97-640, we found that the rates contained in BellSouth's SGAT are cost-based and in compliance with Section 252(d), based on the uncontradicted testimony of BellSouth witness Robert Scheye. We fully set out our reasoning on pages 53 through 59 of the Order. We noted that nothing in Sections 251, 252, or 271 of the Act requires permanent rates for checklist compliance. Further, to ensure that the interim rates do not somehow chill competition, we held that the SGAT's interim rates can only be adjusted downward, and that such adjustment would be effective retroactive to the date interconnection was established or the unbundled network element (UNE) was placed in service. See Order at 59.

With regard to the assertion that the record demonstrates that BellSouth has failed to provide nondiscriminatory access to unbundled network elements such as operations support systems (OSS) functions and local loops as required by Section 252(c)(3) of the Act, we hold said assertion is also unavailing. In the hearing in this Docket, BellSouth witness Gloria Calhoun testified extensively about the electronic interfaces that BellSouth has made available for use by competing local exchange carriers (CLECs). Ms. Calhoun also testified at length about how the information provided to CLECs through such electronic interfaces are provided to the CLEC in substantially the same time and manner that BellSouth provides such information to its own personnel.

Further, BellSouth witness William Stacey testified about how BellSouth has created an entire new office level organization, interconnection operations, which is responsible for all operational aspects of provisioning and maintaining services for CLECs. In short, the record in this docket as well as the Commission's Order, is replete with testimony and discussion which demonstrate that BellSouth's electronic interfaces are capable of providing nondiscriminatory access to BellSouth's OSS.

Second, SCCTA alleges that our Order No. 97-640 erroneously found that the SGAT satisfies the 14-point competitive checklist in Section 271(c)(2)(B) of the Act. As stated above, we believe that we correctly held that the SGAT offers unbundled network elements in compliance with the requirements of the Act, based on the substantial evidence in this case. Therefore, the allegation that the SGAT did not satisfy the 14-point competitive checklist is without merit, if SCCTA was suggesting in its Petition that the 14-point checklist was not satisfied because of the lack of availability of UNEs. We, of course, reaffirm our earlier belief that the 14-point checklist was met, based on our reasoning in Order No. 97-640.

Third, SCCTA states that the Commission erroneously found in Order No. 97-640 that BellSouth's entry into the interLATA market is in the public interest. SCCTA also states that the Order somehow shifted the burden of proof to BellSouth's opponents to show that competitive harm will result from BellSouth's entry into the interLATA market. Again, we disagree.

We still believe that BellSouth's entry into the interLATA market is in the public interest. According to the testimony of BSLD witness Michael Raimondi, BellSouth entry into the interLATA market will result in a 25% decline in the market price for long distance services in South Carolina. Raimondi also testified that BellSouth entry into the interLATA market would bring productivity gains and quality improvements in the use of information services, as well as the creation of many new jobs for South Carolinians. Further, under the WEFA study presented by Raimondi, BellSouth entry will create an additional $1.3 billion dollars in real Gross State Product and, in the process, create an additional 12,881 jobs for South Carolinians by 2006. These new jobs and increased economic activity will be spread across all major industry groups in South Carolina and thus will benefit citizens throughout the State. BSLD witness Dr. William E. Taylor also testified that BellSouth entry was in the public interest. According to Dr. Taylor, BellSouth entry would result in an economic surplus for South Carolinians of between $9 and $14 per month. Clearly, based on the testimony of Raimondi, Taylor, and the other witnesses testifying in this case, BellSouth entry into the interLATA markets is in the public interest. This ground asserted by SCCTA is therefore unavailing.

In addition, the SCCTA petition is unduly vague as it cites no authority for its assertion that the Commission improperly shifted the burden of proof in determining that BellSouth's entry into the interLATA market in South Carolina is in the public

interest. We hold that this bald assertion is therefore without merit.

Considering all of the above-stated reasoning, we hold that SCCTA's Petition is therefore denied and dismissed. 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)