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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

September 9, 1996

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VIA HAND DELIVERY

Mr. William A. Caton
Acting Secretary
Federal Communications Commission
Washington, DC 20554

Re: CC Docket No. 96-128 Implementation of the Pay Telephone Reclassification
and Compensation Provisions of the Telecommunications Act of 1996

NOTICE OF EX PARTE PRESENTATION

Dear Mr. Caton:

On September 6, 1996, Messrs. Steven Lorberbaum and Andrew Ritwo, both of Oncor Communications, Inc., and I, on behalf of Oncor, met with John Nakahata, Special Assistant to Chairman Hundt, regarding the above-captioned proceeding. Because the meeting was held late in the day, it was impossible to submit this letter prior to close of business on that date. Our presentation was limited to the issue of whether Bell Operating Company negotiation with pay telephone location providers regarding selection of presubscribed interexchange carriers would serve the public interest. At the meeting, we provided Mr. Nakahata with copies of materials which have been distributed by BellSouth to pay telephone location providers. A copy of those materials is enclosed herewith. In all other respects, our presentation was limited to discussion of the positions asserted in Oncor's comments in this proceeding.

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Mr. William A. Caton
September 9, 1996
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If there are any questions, kindly communicate directly with undersigned counsel for Oncor.

Sincerely,

A handwritten signature in black ink, appearing to read "M. F. Brecher", with a long horizontal flourish extending to the right.

Mitchell F. Brecher
Counsel for Oncor Communications, Inc.

Enclosure

cc: Mr. John Nakahata
43971.1/0816

BellSouth Corporation
7700 Lyndon Drive
Homewood, Alabama 35226

July 1996

Dear Valued BellSouth Customer:

As you know, the Telecommunications Act of 1996 was signed by President Clinton and became law on February 8, 1996. We are pleased that this landmark legislation will soon enable BellSouth and other companies to compete to provide customers with a full-service range of communications products and services.

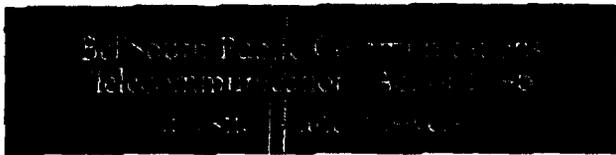
What does the Telecommunications Act mean for you as a payphone location provider? The Act includes a special set of provisions designed to create a "level playing field" for BellSouth and other payphone service providers. The Act requires the Federal Communications Commission to conduct a comprehensive payphone rulemaking, to be completed within nine months. The rulemaking should result in a stronger payphone industry, with increased value and choices available to payphone location providers and end-user customers.

In the interim, we recommend that you be careful not to make commitments for longer than the usual service agreement length, since it may limit your options later.

Call your BellSouth Public Communications account manager or the BellSouth Public Communications business office if you have any questions concerning how these industry changes affect your telecommunications service.

BellSouth is pleased to be your payphone service provider today. We are working hard to provide you with a wider array of services in the near future, increasing the value of BellSouth public telephones to you and your customers. Thank you for your business, and for the opportunity for BellSouth to continue "Keeping You Ahead of the Game."

Best regards,
Wally Vandett
Wally Vandett
Vice President, Sales



Q: I heard about the legislation which allows competition in local and long-distance phone service. What does this mean?

A. The legislation means that other companies can now offer local telephone service in direct competition with BellSouth, and in the future we will be allowed into the long-distance business.

We will be able to participate in the design and manufacture of equipment, if we choose, and market both wireline and wireless services to all of our customers. BellSouth supports this new way of doing business and looks forward to fair and open competition in all markets. BellSouth has provided local phone service for more than 100 years, and we will continue to provide high-quality, affordable telephone service in the future.

Q: How does the 1996 Telecommunications Act affect my public telephone service?

A. You will receive the same high-quality payphone service from BellSouth Public Communications. BellSouth will be able to offer you more services and features, which will add value to the BellSouth public telephones on your premises. We will be able to meet your needs more quickly and conveniently.

Q: Is there a specific provision in the 1996 Telecommunications Act for payphones?

A. Yes. Members of the payphone industry worked with the Congress to have a payphone provision included in the Telecommunications Act. The payphone provision will allow for such customer benefits as widespread deployment of payphones; reduced "slamming"; and payphones to serve public safety, convenience and necessity. The payphone provider benefits from a per-call compensation for carrier-handled completed calls from payphones.

Q. *How do I, as a BellSouth Public Communications Location Provider, benefit from this?*

A. You will benefit by having BellSouth Public Communications available as a single provider for all of your payphone service needs, from local to long-distance to special payphone services. Consistent, reliable, brandname service is what your customers are looking for, and BellSouth Public Communications will be ready to meet your needs and help you satisfy your customers.

Q. *Why will BellSouth enter the long-distance market?*

A. Our customers tell us they want ease of shopping for all communication services from us and that is what we'll offer. Our customers also want the most value for their money and depend on BellSouth for quality service. The new legislation will ultimately allow BellSouth to offer our customers the full array of products, services and features that they have been asking for — and that is what we will deliver.

Q. *When will BellSouth Public Communications be able to offer full public service including interLATA long distance?*

A. BellSouth Public Communications will be able to offer full service to our customers quickly following approval of the FCC rules and regulations pertaining to the provision and operation of public telephone service. These rules are currently scheduled for release in November 1996.

We are excited about this opportunity and will provide high-quality interLATA long-distance service in a way that meets the expectations of our customers.

Q. *Does BellSouth plan to offer cable TV service and cellular service as well?*

A. BellSouth already has projects underway to determine what our offerings may be. We have obtained cable franchises in several communities in our region to test video services. BellSouth offers wireless service through BellSouth Mobility and plans to offer BellSouth Personal Communications Service (PCS) in the Carolinas and Tennessee.

Y E S !

I'd like to know more about the new payphone long-distance service and other single-source advantages that will soon be available through BellSouth Public Communications.

Name _____

Title _____

Company _____

Area Code _____ Phone _____

Address _____

City _____ State _____ Zip _____

For faster details, call our toll-free information line now.

1-888-222-2646



**One quick call to BellSouth Public Communications
will bring you all the best!**

Getting everything you need for your payphones is about to get so much simpler.

When rules under the Telecommunications Act of 1996 go into effect a few months from now, you will be able to make one call to BellSouth to arrange both local and complete long distance payphone service, order the latest public communications equipment and choose from a terrific array of value-added features.

You'll get the reliability of more than 100 years of payphone experience. And your customers will get the great sound quality and helpful service they expect from BellSouth.

It's the name they know and trust for reasonable rates and phones that work. And soon, whether they're calling across town or across the country, it's the name they'll be looking for.

So find out more about arranging payphone long distance service through BellSouth Public Communications. Give us a ring today on our special toll-free information line, 1 888 222-2616.

*Subject to FCC approval.

Remove payphone magnet
from box and pull out tab
to activate.



**SOON YOU'LL
BE ABLE TO
ARRANGE ALL
YOUR PAYPHONE
LONG DISTANCE
SERVICE
THROUGH
BELLSOUTH
PUBLIC
COMMUNICATIONS.**

**FOR SINGLE
SOURCE
CONVENIENCE
YOU CAN TRUST,
CALL ON THE
ONE YOU KNOW.**

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It's All Here.™