

WILLKIE FARR & GALLAGHER

Washington, DC  
New York  
London  
Paris

EX PARTE OR LATE FILED

March 4, 1997

Mr. William Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Room 222  
Washington, D.C. 20554

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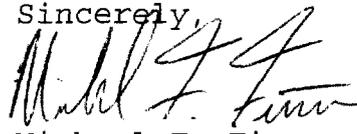
Re: Ex Parte Meeting  
CC Docket No. 96-115

Dear Mr. Caton:

On March 3, 1997, representatives of the Association of Directory Publishers ("ADP") met with Regina Keeney, Chief of the Common Carrier Bureau and Dorothy Attwood, Senior Attorney - Policy and Program Planning Division, to discuss issues raised in the comments and reply comments filed in the above-referenced proceeding. Representatives of ADP included Bill Hammack, Theodore Whitehouse and the undersigned.

During the meeting, ADP reiterated the views expressed in its comments, reply comments, and ex parte filings in the above-referenced proceeding. ADP also discussed several interconnection agreements entered into by Ameritech and BellSouth. Additionally, ADP provided materials showing that various LECs continue to behave anticompetitively with respect to the provision of subscriber list information.

Sincerely,

  
Michael F. Finn

Enclosures

cc: Regina Keeney (w/o enclosures)  
Dorothy Attwood (w/o enclosures)

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ASSOCIATION OF DIRECTORY PUBLISHERS'

PROPOSED RULES TO IMPLEMENT SECTION 222 (e)

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§ 64.XXX1. SUBSCRIBER LIST INFORMATION. (a) Any telecommunications carrier that provides telephone exchange service shall provide subscriber list information to directory publishers on a timely, unbundled basis and on nondiscriminatory and reasonable rates, terms, and conditions.

(b) "Subscriber list information" means any information identifying the names, addresses, telephone numbers, or primary classified advertising (line of business) classifications of a telecommunications carrier's subscribers (or any combination of such names, addresses, telephone numbers, or classifications) that such carrier has published, caused to be published, or accepted for publication in any form of telephone directory (including, but not limited to directories produced in printed, electronic, or optical form).

(c) "Timely" provision of subscriber list information means (i) the provision of up-to-date subscriber list information within not more than 20 (twenty) days of a request and (ii) the provision of updated and changed information necessary for directory publishers to maintain accurate up-to-date databases and to identify newly established businesses and residences for purposes of advertising sales and delivery of directories. Such data updates shall be made available on a regularly recurring basis (e.g., weekly, monthly).

(d) "Unbundled" provision of subscriber list information means the provision of only such information as is requested by the requesting publisher. For example (but not by way of limitation), subscriber list information should be available separately for business and residence subscribers, or sorted by reasonable geographic criteria such as prefixes or postal codes. Subscriber list information shall also be unbundled on a temporal basis such that a listing, once purchased, need not be repurchased each time a directory publisher desires to publish a directory.

(e) "Nondiscriminatory" provision of subscriber list information means the provision of such information to all publishers on rates, terms, and conditions that, in practical effect, confer no advantage on the telecommunications carrier's affiliated or sponsored directory publisher over competing or other directory publishers.

(f) "Reasonable" rates, terms, and conditions for the provision of subscriber list information means:

(i) rates that do not exceed the telecommunications carrier's incremental cost to provide the subscriber list information, including the actual cost of computer programs reasonably necessary to provide the information to the publisher, the direct costs associated with provision of the information to the publisher, and a reasonable return, and

(ii) terms and conditions that enable efficient and economical use of subscriber list information by directory publishers for production of directories.

(g) Format: Subscriber list information must be provided in a format that is convenient, usable, and reasonably feasible, both for telecommunications carriers to provide and for directory publishers to utilize. Subscriber list information should be available in both a paper format and in an electronic medium that is generally available (e.g. ASCII).

(h) Complaints regarding the provision of subscriber list information and the rates, terms, and conditions for such provision may be brought before the Commission by the filing of a complaint. The complaint must be in writing and must identify the complainant and describe with reasonable clarity the act, omission, practice, rate, term, or condition alleged to be unlawful or unreasonable. The telecommunications carrier shall have 30 days from service of the complaint in which to file a written response, which must be served on the complainant. The burden shall be on the telecommunications carrier to prove that the challenged act, omission, practice, rate, term, or condition is lawful. Within 20 days after service of a response, the complainant may file and serve a reply which shall be responsive to matters contained in the response and shall not contain new matters. Failure to reply will not be deemed an admission of any allegations contained in the response.

(i) To the extent that a state public service commission actively supervises, by rule or tariff, the provision of subscriber list information, such rules and tariffs shall be consistent with Section 222(e) of the Communications Act of 1934, *as amended*, and these rules. Complaints regarding violation of a state commission's rule, order, or tariff governing the provision of subscriber list information to directory publishers, shall be brought before the state commission with a direct appeal to the Commission.

(j) Subscriber list information pertaining to a subscriber to a telecommunications carrier's services that requests that

such subscriber list information not be published in directories published by or for the carrier need not be provided to directory publishers except that, if the telecommunications carrier uses such unlisted or unpublished name and address information, or permits the use of unpublished name and or address information by an affiliate or others, for the purpose of delivering directories, such unpublished information shall be furnished on reasonable and nondiscriminatory terms and conditions to all directory publishers that request it for the sole and exclusive purpose of enabling the recipient directory publisher to cause its directories to be delivered to the subscriber.

(k) A telecommunications carrier may require a person requesting subscriber list information pursuant to this section to certify in writing that the requesting person will use the information solely in connection with publishing directories in any format (including, but not limited to, soliciting and selling advertising in such directories, compiling and publishing subscriber listings in alphabetical, classified, or other arrangements, delivering directories, and rendering bills for advertising and other related services). If a telecommunications carrier believes that the certification is erroneous or untrue, it may seek permission from the Commission (or, if the provision of the subscriber list information at issue is actively regulated by a state public service commission by rule or tariff, from that commission) to refuse future provision of such information to the requesting person. Subscriber list information shall not be withheld during the pendency of any such request for permission to refuse the provision of information.

## LISTING PRICES:

### COST PER LISTING

- BELLSOUTH HAS SUBMITTED DOCUMENTS SHOWING THAT ITS COST PER LISTING IS LESS THAN \$0.004 (Tab 1)
  - "COST" INCLUDES "THE LABOR COST FOR SYSTEM DEVELOPMENT AND MAINTENANCE, COMPUTER PROCESSING COST TO PRODUCE THE LISTING DATA, AND MATERIAL/PACKAGING/ DELIVERY COST[S] "
- SOUTHWESTERN BELL'S COST PER LISTING IS UNDER \$0.01 (Tab 2)

### PRICES CHARGED INDEPENDENTS PER LISTING

- BELLSOUTH HAS ADMITTED TO THE FLORIDA PSC THAT BELLSOUTH'S TARIFF RATE OF \$0.04 PER LISTING:
  - IS MARKET BASED - "WHATEVER THE MARKET WILL BEAR" (Tab 3) (pp. 129, 161-63, 189-91)
  - REPRESENTS A PROFIT MARGIN OF 1,300% OVER INCREMENTAL COST (Tab 3) (pp. 130-31, 145)
- THE CALIFORNIA PUC HAS FOUND THAT PACTEL HAS NOT BEEN ABLE TO DEMONSTRATE THAT ITS PRICE OF \$.10 PER LISTING WAS COST-BASED (Tab 13) (pp. 30, 38)
- MOST LECS CHARGE BETWEEN \$0.25-\$0.95 PER LISTING (Tab 4)
- MEBTEL CHARGES \$1.67 PER LISTING - 5,700 listings for \$9,586 (Tab 5)
- MANY LECS HAVE RAISED THEIR PRICE PER LISTING (Tab 17)

### INTERCONNECTION AGREEMENTS

- NETWORK ELEMENTS MUST BE MADE AVAILABLE AT THE COST OF PROVISION PLUS A REASONABLE PROFIT. See 47 U.S.C. § 252(d)(1)
- BELLSOUTH REQUIRES THAT CLECS TURN OVER THEIR LISTINGS FOR FREE TO BAPCO, BELLSOUTH'S DIRECTORY PUBLISHING AFFILIATE (Tab 6) (WINSTAR AGREEMENT § 2(a)); (Tab 7) (ACSI AGREEMENT § 2(a))
- BAPCO INCLUDES CLECS' LISTINGS IN BACPCO'S DIRECTORIES AND WILL DELIVER ITS DIRECTORIES TO CLEC CUSTOMERS FOR FREE (Tab 6) (WINSTAR AGREEMENT § 3(c)); (Tab 7) (ACSI AGREEMENT § 3(c))
- BELLSOUTH RESERVES THE RIGHT TO USE CLEC LISTINGS FOR PURPOSES BEYOND DIRECTORY PUBLISHING (Tab 6) (WINSTAR AGREEMENT § 2(a))
- AMERITECH INCLUDES CLEC LISTINGS AND DELIVERS ITS BOOKS TO CLEC CUSTOMERS FOR FREE (Tab 8) (DUNNY AFFIDAVIT at ¶ 105)

## UPDATES

- UPDATES ARE REQUIRED TO SELL ADVERTISING TO NEW BUSINESSES AND TO PROVIDE BOOKS TO NEW CONNECTS
- UPDATES ARE OFTEN UNAVAILABLE TO INDEPENDENTS (Tab 4)
  - BELLSOUTH DOES NOT OFFER UPDATES OR NEW CONNECT INFORMATION TO INDEPENDENT PUBLISHERS ON A WEEKLY BASIS (Tab 9) (p. 118)
  - BELLSOUTH OFFERS INDEPENDENTS ONLY A MONTHLY REFRESH SERVICE OF ITS ENTIRE LISTING DATABASE WHICH, AS BELLSOUTH ADMITS, REQUIRES INDEPENDENT PUBLISHERS TO EXAMINE THOUSANDS OF LISTINGS TO ASCERTAIN CHANGES FROM THE PRIOR MONTH (Tab 9) (pp. 118, 141)
  - BELLSOUTH PROVIDES UPDATES TO BAPCO ON A DAILY BASIS TO PERMIT BAPCO TO SELL ADVERTISING AND DISTRIBUTE ITS DIRECTORIES TO NEW CONNECTS (Tab 9) (pp. 125-26)
- UPDATES, WHERE AVAILABLE, ARE PRICED EXORBITANTLY:
  - THE BOCS AND GTE CHARGE BETWEEN \$0.20 AND \$1.25 FOR WEEKLY UPDATES (Tab 4)
  - SMALLER LECS CHARGE FAR MORE (Tab 4); MEBTEL CHARGES \$1,332 PER MONTH FOR UPDATES WHICH, BASED ON THEIR AVERAGE OF ONLY 28 CHANGES, EQUALS \$47 PER LISTING (TAB 12)
- THE CALIFORNIA PUC RECENTLY ORDERED PACTEL AND GTE TO MAKE RESIDENTIAL UPDATES AVAILABLE (Tab 13) (pp. 29, 37)

## INTERCONNECTION AGREEMENTS

- AMERITECH HAS VARIOUS ELECTRONIC AND MANUAL MEANS TO ACCEPT UPDATES FROM RESELLERS (Tab 10) (AFFIDAVIT AT ¶ 71)
- AMERITECH UPDATES ITS ADDRESS INFORMATION WEEKLY (Tab 10) - (AFFIDAVIT at ¶ 55)
- AMERITECH REQUIRES CLECS TO PROVIDE ELECTRONIC UPDATES "WITHIN ONE (1) BUSINESS DAY OF INSTALLATION, DISCONNECTION, OR OTHER CHANGE" (Tab 11) ( AT&T AGREEMENT § 15.2.2)
- BELLSOUTH REQUIRES CLECS TO PROVIDE ELECTRONIC "DAILY" UPDATES (Tab 6) (WINSTAR AGREEMENT at § 6.13(b))

### NONPUBLISHED ADDRESS INFORMATION

- SIGNIFICANT NUMBERS OF TELEPHONE SUBSCRIBERS HAVE UNPUBLISHED LISTINGS
  - THE CALIFORNIA PUC HAS FOUND THAT 40% OF PACTEL'S SUBSCRIBERS ARE UNLISTED (Tab 13) (p.13)
- LECS PROVIDE THEIR DIRECTORIES TO NONPUBLISHED SUBSCRIBERS WHILE REFUSING TO PROVIDE SUCH LISTINGS TO INDEPENDENTS
  - BELLSOUTH REFUSES TO PROVIDE NONPUBLISHED LISTINGS (Tab 14)
- INDEPENDENTS SHOULD HAVE THE SAME OPPORTUNITY TO DELIVER THEIR DIRECTORIES TO NONPUBLISHED SUBSCRIBERS
  - ADDRESS INFORMATION (WITHOUT NAME OR TELEPHONE NUMBER SHOULD BE MADE AVAILABLE TO INDEPENDENTS)
- THE CALIFORNIA PUC RECENTLY ORDERED BOTH PACTEL AND GTE TO MAKE ADDRESS INFORMATION AVAILABLE TO INDEPENDENTS TO PERMIT DELIVERY OF THEIR DIRECTORIES (Tab 13) (pp. 27-28, 37)
- THE LOUISIANA PSC HAS ORDERED LECS TO MAKE NONPUBLISHED LISTINGS AVAILABLE FOR THE PURPOSE OF DIRECTORY DELIVERY (Tab 18)

### INTERCONNECTION AGREEMENTS

- BELLSOUTH REQUIRES CLECS TO TURN OVER NONPUBLISHED LISTINGS (Tab 6) (WINSTAR AGREEMENT § 2(a))
- BELLSOUTH USES THE TERM "PUBLISHING" TO ENCOMPASS THE DELIVERY OF DIRECTORIES (Tab 6) (WINSTAR AGREEMENT § 2(a))
- AMERITECH REQUIRES CLECS TO PROVIDE IT WITH CHANGES OF "NONLISTED OR NONPUBLISHED STATUS" WITHIN 1 BUSINESS DAY (Tab 11) (AT&T AGREEMENT § 15.2.2)

### DISCRIMINATORY ACTIVITIES SINCE FEBRUARY 1, 1997

- MILLINGTON TELEPHONE REFUSES TO PROVIDE LISTINGS TO INDEPENDENT PUBLISHERS (TAB 15)
- BELLSOUTH HAS REFUSED TO CONTINUE TO OFFER LISTINGS UNBUNDLED BY COUNTY AS IT HAS IN THE PAST (Tab 16)
- MANY LECS HAVE RAISED THEIR RATES (Tab 17)





**Southern Bell**

**Marshall M. Criser III**  
Operations Manager  
Regulatory Relations

Suite 400  
150 South Monroe Street  
Tallahassee, Florida 32301-15561  
904 222-1201  
FAX 904 222-8640

8 February 1993

Mr. Walter D'Haeseleer  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, Florida 32399-0866

Re: DADS and DPDS Data Request

Dear Mr. D'Haeseleer:

Attached is Southern Bell's response to the above noted request.

If I can be of any further assistance, please advise.

Yours very truly,

*for* Operations Manager - Regulatory Relations

Attachment

COST STUDY  
DIRECTORY ASSISTANCE DATABASE SERVICE  
DIRECTORY PUBLISHERS DATABASE SERVICE

\*

1. Introduction and Overview

This cost study is performed to identify the incremental cost of Directory Assistance Database Service (DADS) and Directory Publishers Database Service (DPDS).

DADS provides a base file of directory listings and a daily update file of directory listing changes. These files are provided by Central Offices (by central office prefix, i.e., NNX) via magnetic media. This data is intended for customers providing alternate directory assistance service.

DPDS provides an extract of directory listings by requested Central Offices (by central office prefix, i.e., NNX). It also provides optional weekly reports of Central Office Business Activity.

The cost of both services includes, where appropriate, the labor cost for system development and maintenance, computer processing cost to produce the listing data, and material/packaging/delivery cost for the magnetic and paper media.

\* 3. Description of Procedures

The estimated programmer analyst's hours for program development was divided by the number of requests over the initial three years to develop the average hours per file/extract. Similarly, the annual maintenance hours were divided by the average annual requests. The respective software costs were produced by multiplying these results by the appropriate directly assigned labor cost.

The Computer Processing Unit (CPU) hours required for the extracts were multiplied by the CPU cost per hour to develop the data processing costs.

Material cost for the magnetic tapes and the paper output, along with delivery, were added to the software and data processing costs. This result was divided by the average listings that will be billed each month to produce the cost per listing for each service.

For the Weekly Business Reports, the CPU hours were negligible.

DIRECTORY ASSISTANCE DATABASE SERVICE (DADS)  
DIRECTORY PUBLISHERS DATABASE SERVICE (DPDS)  
1993 INCREMENTAL UNIT COST

STATE: FLORIDA  
DATE: 04 JAN 1993  
SUMMARY

=====

DADS  
BASE FILE

COST PER LISTING \$0.001

FILE UPDATES

COST PER CO FILE PER MONTH \$11.81



DPDS

CENTRAL OFFICE EXTRACT  
COST PER LISTING \$0.003

BUSINESS ACTIVITY REPORT  
COST PER LISTING \$0.004

LINE	DESCRIPTION	SOURCE	AMOUNT
----- CENTRAL OFFICE EXTRACT			
1	PROGRAM DEVELOPMENT, HOURS PER CO EXTRACT		0.51
2	DIRECTLY ASSIGNED LABOR COST PER HOUR		\$44.35
3	PROGRAM DEVELOPMENT COST PER CO EXTRACT	LN1xLN2	\$22.62
4	PROGRAM MAINTENANCE, HOURS PER CO EXTRACT		
5	DIRECTLY ASSIGNED LABOR COST PER HOUR		0.75
6	PROGRAM MAINTENANCE COST PER CO EXTRACT	LN4xLN5	\$44.35 \$33.26
7	DATA PROCESSING COST PER CO EXTRACT		\$17.25
8	MAG TAPE, PACKAGING AND DELIVERY COST PER CO EXTRACT		\$39.00
9	GROSS RECEIPTS (GRT) TAX		1.0138
0	TOTAL COST PER CO EXTRACT	(LN3+LN6+LN7+LN8)LN9	\$113.68
11	AVERAGE LISTING PER CO EXTRACT		35,900
12	TOTAL COST PER LISTING	LN10/LN11	\$0.003
----- CENTRAL OFFICE BUSINESS ACTIVITY REPORT			
13	ADMINISTRATION, PACKAGING AND DELIVERY COST ASSOCIATED WITH LISTING PRINTOUT PER CO BUSINESS ACTIVITY REPORT		\$129.39
14	TOTAL COST PER CO BUSINESS ACTIVITY REPORT	LN13xLN9	\$131.18
15	AVERAGE LISTINGS PER CO EXTRACT		35,900
16	TOTAL COST PER CO LISTING	LN14/LN15	\$0.004

LECTORY ASSISTANCE DATABASE SERVICE (DADS)  
3 INCREMENTAL UNIT COST

STATE: FLORIDA  
DATE: 04 JAN 1993  
WORKPAPER 1  
PAGE 1 OF 1

LINE	DESCRIPTION	SOURCE	AMOUNT
	BASE FILE		
1	PROGRAM DEVELOPMENT, HOURS PER CO FILE		0.13
2	DIRECTLY ASSIGNED LABOR COST PER HOUR		\$44.35
3	PROGRAM DEVELOPMENT COST PER CO FILE	LN1xLN2	\$5.77
4	DATA PROCESSING COST PER CO FILE		\$2.30
5	MAG TAPE, PACKAGING AND DELIVERY COST PER CO FILE		\$0.40
6	GROSS RECEIPTS (GRT) TAX		1.0138
7	TOTAL COST PER CO	(LN3+LN4+LN5)LN6	\$8.58
	AVERAGE LISTINGS PER CO FILE		14372
9	TOTAL COST PER LISTING	(LN7/LN8)	\$0.001

TORY ASSISTANCE DATABASE SERVICE (DADS)  
INCREMENTAL UNIT COST

STATE: FLORIDA  
DATE: 04 JAN 1993  
WORKPAPER 2  
PAGE 1 OF 1

LINE	DESCRIPTION	SOURCE	AMOUNT
	FILE UPDATES		
1	PROGRAM MAINTENANCE, HOURS PER CO FILE PER MONTH		0.01
2	DIRECTLY ASSIGNED LABOR COST PER HOUR		\$44.35
3	PROGRAM MAINTENANCE COST PER CO FILE PER MONTH	LN1xLN2	\$0.44
4	DATA PROCESSING COST PER CO FILE PER MONTH		\$2.41
5	MAG TAPE, PACKAGING AND DELIVERY COST, CO FILE PER MONTH		\$8.80
6	GROSS RECEIPTS (GRT) TAX		1.0138
7	TOTAL COST PER CO FILE PER MONTH	(LN3+LN4+LN5)LN6	\$11.81



ATTACHMENT  
GWDI

PRESENTATION TO MR. CHARLES FOSTER

DEPOSITION  
EXHIBIT  
17  
SUBT

PLAINTIFF'S  
EXHIBIT  
T108  
CA2-88-218

# WHITE PAGES

# PLANS

September 28, 1988

RESTRICTED-CONFIDENTIAL INFORMATION  
subject to Protective Order, CA2-88-2  
CA2-89-003, U.S.D.C., N.D. Tex.,  
Amarillo Div.

100051

Mr. Moser

DIRECTORY LISTINGS PRODUCT LINE  
FOR  
DIRECTORY PUBLISHERS

EFFECTIVE 1-1-36

A. Paper Product

Listings from the "Directory on the Street" are priced at .05¢ per listing and are taken from the current directory. Specific NNX's should be selected. This contract is for a one-year period.

B. Magnetic Tape Product

The "Directory on the Street" is available in magnetic tape format if ordered 30 days prior to that particular directory's close date. Data is furnished as of the directory close date only. We do not maintain this file or keep a library of tapes. Listings should be selected by specific NNX's. Listings are priced at .15¢ each. This contract is for a one-year period.

C. Update Service

This service is provided on Magnetic Tape or via T-TRAK on a daily or monthly basis. The publisher selects listings by NNX's for either business or residence, or both. The initial load database is provided for \$500.00. Update transactions are .30¢ each and include such changes as name, address, telephone number, and other information contained in the file. Documentation for this service is available. This contract is for a three-year period.

SWBT  
RESTRICTED

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MISSOURI  
1990 DIRECTORY SERVICES  
COST STUDY

COST SUMMARY

<u>SERVICE</u>	<u>TOTAL MONTHLY COST</u>	<u>TOTAL NONRECURRING COST</u>
Business Listings Residence Listings Foreign Listings	\$9,151.02	
Labels	\$2,503.64	
Specialty Listings		\$3,896.70
Photocomposition Pages	\$ 262.84	
Book on Street For Republication	No incremental Cost	
Repros	This service is considered a duplication of Photocom- position Pages.	
End of Run	\$ 39.78	
T-Tran		\$2,338.02
File Transfer System		\$3,507.03
9 Track Tape Production	\$ 272.80	\$1,169.01
S9900	\$ 796.27	
Invoice	\$ 306.57	
Bill Payment	\$3,158.97	
Revenue & Expense Tracking	\$1,196.64	
Cost Accountability Documentation & Audit	No incremental Cost	

\* Cost per listing equates to less than \$.01, therefore market value is the determining factor.

SWBT  
RESTRICTED

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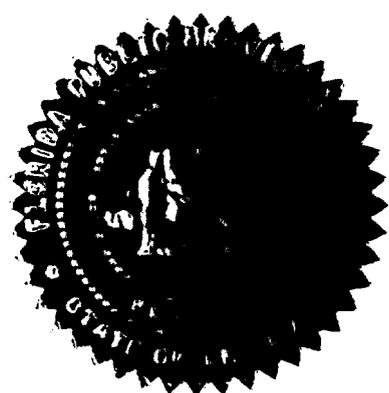


BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of  
  
Petition and Complaint of  
Florida Independent Directory  
Publishers to Amend Directory  
Publishers Database Service  
Tariff of BellSouth  
Telecommunications, Inc., d/b/a:  
Southern Bell Telephone and  
Telegraph Company  
-----

DOCKET NO. 931138-TL



PROCEEDINGS: HEARING

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

DATE: Monday, January 13, 1997

TIME: Commenced at 9:30 a.m.  
Concluded at 1:25 p.m.

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: JOY KELLY, CSR, RPR  
Chief, Bureau of Reporting  
RUTHE POTAMI, CSR, RPR  
Official Commission Reporters

DOCUMENT NUMBER-DATE  
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FPSC-RECORDS/REPORTING

1 to earn some measure of profit on the service.

2 CHAIRMAN JOHNSON: Okay.

3 MR. HORTON: I'll come back to the cost in a  
4 minute.

5 Q (By Mr. Horton) There's an indication in  
6 responses to interrogatories -- not an indication, but  
7 I think BellSouth has stated that the prices which the  
8 publishers pay are market based. Are you familiar  
9 with that?

10 A Yes.

11 Q What do you mean by market based?

12 A It means that the listings that the  
13 directory publishers receive have value. As we've  
14 heard in the earlier testimony there are basically two  
15 choices that seem to be available to the directory  
16 publishers that maybe were portrayed as viable  
17 choices. One is to buy the listing service from the  
18 BellSouth DPDS tariff. The other was to use a tariff  
19 that was -- I mean use a directory that was available  
20 on the street.

21 If BellSouth's tariff has value such that  
22 the publisher would choose to purchase that, I believe  
23 a market value is a worthwhile means of pricing the  
24 service. And to give maybe a little more definition  
25 to that, 100,000 listings was used in an example

1 earlier, a directory with 100,000 listings. At four  
2 cents, that directory -- the White Page portion of  
3 that directory would cost the independent publisher  
4 \$4,000. But with that White Page section, the  
5 publisher then has the opportunity to sell thousands,  
6 if not hundreds of thousands of dollars of  
7 advertising. It seems to have great value to the  
8 publishers. It also allows them to avoid the cost of  
9 taking a printed directory and then either scanning or  
10 in some other fashion reformatting that directory into  
11 their own.

12           **COMMISSIONER CLARK:** Mr. Juneau, I'm  
13 confused. Are you basing your tariffed rate on market  
14 prices or costs plus a reasonable contribution?

15           **WITNESS JUNEAU:** This tariff is based on  
16 cost or it's based on a market price that covered the  
17 cost of the tariff and it includes contribution.

18           **COMMISSIONER CLARK:** How much is that  
19 contribution?

20           **WITNESS JUNEAU:** The contribution, if you  
21 calculate it mathematically, is 1300%. I don't  
22 disagree with their --

23           **COMMISSIONER CLARK:** You don't characterize  
24 that as a reasonable contribution, do you?

25           **WITNESS JUNEAU:** Commissioner, in this

1 regard I think that is a reasonable rate. When you  
2 consider --

3 COMMISSIONER CLARK: Because that's what the  
4 market will bear? Is that your -- is that the basis  
5 on which you call it reasonable?

6 WITNESS JUNEAU: I would think in this  
7 situation, Commissioner, that if this is a market rate  
8 it is based on what the market would bear, and then  
9 what the market would determine to be a reasonable  
10 rate.

11 The rates that I'm aware of that the other  
12 LECs and the other BOCs and the major LECs charge are  
13 considerably in excess of our rates. Our rate is 4  
14 cents, and we've heard quoted 98 cents or 60 cents for  
15 a listing in a published directory. The others I'm  
16 aware of, the next lowest rate for a magnetic tape  
17 delivery is about 15 cents per listing from any other  
18 LEC.

19 I think we thought that in filing this our  
20 rate was, in fact, very reasonable and very low, and  
21 it would be the other LECs that would be upset with  
22 our rate, not the directory publishers.

23 COMMISSIONER CLARK: What do you charge  
24 BAPCO for the same information per listing?

25 WITNESS JUNEAU: BAPCO is charged in a

1           WITNESS JUNEAU: That is the percentage of  
2 the rate above the incremental cost.

3           COMMISSIONER CLARK: And what is it again?

4           WITNESS JUNEAU: 1300%.

5           COMMISSIONER CLARK: Okay. Do you think  
6 that your costs for providing that sort of only  
7 supplemental service would be more -- would eat up  
8 that entire return?

9           WITNESS JUNEAU: I don't know the answer to  
10 that, Commissioner.

11          COMMISSIONER CLARK: One of the things you  
12 indicated in your testimony was you have concern that  
13 you may be required to tariff something that nobody  
14 wants.

15          WITNESS JUNEAU: To actually produce -- to  
16 do the work and produce a report that no one would  
17 purchase, that's correct.

18          COMMISSIONER CLARK: I agree with you that  
19 we need to be cautious in that area because I think  
20 there has been a case where we asked BellSouth to do  
21 some sort of tariff for pay telephones and nobody took  
22 the service, so I do have concerns about that.

23                 But you've indicated that you think as a  
24 publisher you would find that purely supplemental list  
25 more valuable than a complete reproduction.