

1 record as though read.

2 COMMISSIONER CLARK: It will be so inserted.

3 Q (By Mr. Horton) Mr. Screven, did you also
4 prepare and prefile rebuttal testimony consisting of
5 four pages?

6 A Yes, I did.

7 Q I believe you've already made the correction
8 to the rebuttal testimony. Did you have any other
9 corrections or additions to make to the rebuttal
10 testimony?

11 A No, I did not.

12 Q And if I were to ask you those questions in
13 your rebuttal testimony today, would your answers be
14 the same?

15 A Yes, they would.

16 MR. HORTON: Madam Chairman, we would
17 request that Mr. Screven's rebuttal testimony be
18 inserted into the record as though read.

19 CHAIRMAN JOHNSON: It will be so inserted.

20 Q (By Mr. Horton) Mr. Screven, did you also
21 attach to your direct testimony an exhibit consisting
22 of three directories?

23 A Yes, I have.

24 Q Those directories were prepared by
25 independent publishers.

1 A Yes.

2 Q Were they published by one of the members of
3 the Florida Independent Directory Publishers?

4 A Yes.

5 MR. HORTON: Could we have that exhibit
6 identified for the record, Madam Chairman?

7 CHAIRMAN JOHNSON: Let me make sure I
8 understand. Here on the Prehearing Order there are
9 separate exhibits, GS-1 which includes two directories
10 and GS-1 supplement which includes a third. Would you
11 like to have them all combined a composite exhibit?

12 MR. HORTON: That would be fine. I'm sorry.
13 I didn't realize they had split them out.

14 CHAIRMAN JOHNSON: Then I will mark as
15 composite Exhibit 1, a short description "Three
16 Telephone Directories."

17 MR. HORTON: "Three Sample Telephone
18 Directories."

19 CHAIRMAN JOHNSON: Show it so marked.

20 (Composite Exhibit 1 marked for
21 identification.)

22

23

24

25

1 Q. PLEASE STATE YOUR NAME AND ADDRESS.

2 A. My name is Gerry Screven and my business address is 115 Newman Drive,
3 Brunswick, Georgia, 31520

4 Q. BY WHOM ARE YOU EMPLOYED?

5 A. Direct Media Corporation.

6 Q. COULD YOU DESCRIBE YOUR BACKGROUND AND
7 EXPERIENCE?

8 A. I have been involved in the independent directory publishers business since
9 1986.

10 Q. WHAT ARE YOUR RESPONSIBILITIES WITH RESPECT TO THIS
11 DOCKET?

12 A. I am appearing on behalf of the independent publishers in Florida to
13 present our positions with respect to the DPDS tariff filed by
14 BellSouth.

15 Q. WHAT IS AN INDEPENDENT PUBLISHER?

16 A. An independent publisher is a private business engaged in the preparation and
17 publication of directories. Independent publishers are not affiliated in any
18 way with directories published by local exchange companies.

19 Q. ARE INDEPENDENT DIRECTORIES THE SAME AS THOSE
20 PUBLISHED BY THE LOCAL EXCHANGE TELEPHONE
21 COMPANY?

22 A. No. They are not the same. Independent directories include an alphabetical

1 listing and a separate section for business advertisers but we also include
2 information for consumers and our marketing is different.

3 **Q. DO YOU HAVE ANY EXAMPLES OF INDEPENDENT**
4 **DIRECTORIES?**

5 A. Yes. Exhibit GS-1 consists of sample directories published by independent
6 directory publishers. These are typical directories.

7 **Q. DO INDEPENDENT DIRECTORIES INCLUDE RESIDENTIAL AND**
8 **BUSINESS LISTINGS?**

9 A. Yes they do. Also our directories include business advertisements to
10 accompany the listing. Additionally our directories included community
11 information and items of information to our consumers.

12 **Q. HOW DO YOU DISTRIBUTE YOUR DIRECTORIES?**

13 A. We use a variety of means to distribute directories. We may use professional
14 distributors and sometimes our directories are distributed by church or youth
15 organizations and some may be distributed door to door. The distribution
16 method varies from area to area.

17 **Q. DO YOU KNOW HOW MANY INDEPENDENT PUBLISHERS**
18 **THERE ARE IN FLORIDA?**

19 A. I believe there are 12 publishers in Florida. These businesses publish 83
20 directories in various markets.

21 **Q. WHERE DOES AN INDEPENDENT PUBLISHER GET THE**
22 **INFORMATION THAT IS PUBLISHED IN THEIR DIRECTORY?**

1 A. The information which we publish in our directory is obtained from local
2 sources primarily - and possibly exclusively - from the local telephone
3 company.

4 **Q. HOW DO YOU OBTAIN THIS INFORMATION?**

5 A. There are several methods of obtaining information. Some publishers copy
6 out of date directories - which is not a preferred method for obvious reasons.
7 Most of the information for directories is acquired through contract
8 arrangements or by tariff.

9 **Q. IS THIS THE SAME WAY A LEC DIRECTORY PUBLISHER**
10 **ACQUIRES INFORMATION FOR ITS DIRECTORY?**

11 A. No.

12 **Q. HOW DOES BELLSOUTH PUBLISH ITS DIRECTORIES?**

13 A. BellSouth directories are published by BellSouth Publishing Co. ("BAPCO")
14 a sister company of BellSouth. There is a contract between BellSouth and
15 BAPCO which details the arrangement including a division of revenues. I
16 understand that this Commission has reviewed that arrangement but I am not
17 familiar with the details. The critical point to remember is that BellSouth and
18 BAPCO are related.

19 **Q. HOW DOES BAPCO ACQUIRE CUSTOMER INFORMATION FOR**
20 **ITS DIRECTORIES?**

21 A. From BellSouth; but unlike the information we receive, BAPCO is provided
22 listing information much more frequently and under arrangements other than

1 through the DPDS tariff.

2 **Q. WOULD YOU CONSIDER INDEPENDENT PUBLISHERS TO BE IN**
3 **COMPETITION WITH THE PUBLISHERS OF LEC DIRECTORIES?**

4 A. Usually, yes.

5 **Q. ARE THERE OTHER SOURCES FOR THE INFORMATION**
6 **INCLUDED IN INDEPENDENT DIRECTORIES?**

7 A. The LEC, BellSouth, is the only source for data which is up to date and
8 which would enable us to effectively compete.

9 **Q. WITH RESPECT TO THIS DOCKET WOULD YOU BRIEFLY**
10 **DESCRIBE WHAT ACTION YOU ARE REQUESTING OF THE**
11 **COMMISSION?**

12 A. Yes. We want the Commission to require BellSouth to amend its DPDS
13 tariff to be consistent with previous expressions of the Commission.
14 Specifically the Commission should require BellSouth to:

15 1) allow directory publishers to provide directories in printed or
16 electronic format;

17 2) provide information on residential new connects; and

18 3) provide an update service in a reasonable format, unbundled and
19 at reasonable, nondiscriminatory rates.

20 Additionally, we have asked the Commission to review the rates which
21 BellSouth proposes.

22 **Q. WOULD YOU EXPLAIN YOUR CONCERN WITH THE**

1 **ELECTRONIC OFFERING?**

2 A. Yes. With trends in technology FIDP's want to be able to publish a directory
3 in any format. The proposed revision to the DPDS tariff would have
4 permitted publishers to provide a directory in printed or electronic format,
5 such as the Internet. As filed we are restricted to CD-ROM. BellSouth has
6 expressed concern that this is not a directory assistance ("DA") tariff but we
7 don't want to provide DA. We simply want to have the ability to be flexible
8 and compete.

9 **Q. DOESN'T THE DIRECTORY PUBLISHERS TARIFF LANGUAGE**
10 **WITH RESPECT TO THE ELECTRONIC FORMAT PERMIT THIS?**

11 A. No. Even though the Staff agreed with our proposed language and
12 BellSouth was directed to file a tariff incorporating this language the tariff
13 restricts directories to either a printed booklet or CD-ROM. This restricts our
14 ability to publish a directory in a medium other than print. BellSouth has
15 listings on the Internet, we want to do the same

16 **Q. WHAT IS YOUR PROPOSAL?**

17 A. It's very simple. BellSouth should be required to file a tariff consistent with
18 the plain language of the Order of this Commission. There was nothing in
19 the Order which limits our directories to CD-ROM and BellSouth has
20 unilaterally ignored the directive of this Commission.

21 **Q. YOU ALSO HAVE REQUESTED NEW CONNECT AND UPDATES --**
22 **AREN'T THESE THE SAME ?**

1 A. No. Part of the problem in this docket has been confusion over terms. An
2 update, as I use the term, means supplemental information on existing
3 customers with respect to changes, additions and deletions. This is used to
4 maintain a database of subscriber listings. A new connect listing means a
5 listing of information of new telephone subscribers—both Residential and
6 Business subscribers—for the purpose of either contacting new customers or
7 delivering directories. These are different services.

8 **Q. SHOULD BOTH UPDATE INFORMATION AND NEW LISTING**
9 **INFORMATION BE AVAILABLE TO INDEPENDENT**
10 **PUBLISHERS?**

11 A. Yes.

12 **Q. TO YOUR KNOWLEDGE, IS THIS INFORMATION PROVIDED TO**
13 **BELLSOUTH'S AFFILIATED PUBLISHING COMPANY?**

14 A. Yes.

15 **Q. SINCE THIS IS PROVIDED TO BAPCO BUT NOT TO YOU, WHAT**
16 **IS THE RESULT?**

17 A. BAPCO has a more up to date offering and is in a better competitive position.
18 First, they deliver new directories to new connection customers within days
19 of obtaining service. Second, when they seek advertisers, they can claim they
20 are the only directory publisher providing directories to every customer,
21 including new connections.

22 **Q. DOES BELLSOUTH CURRENTLY OFFER NEW CONNECT**

1 **INFORMATION OR AN UPDATE SERVICE?**

2 A. No. BellSouth does offer a Weekly Business Activity Report (WBAR)
3 which makes available certain information regarding business subscribers.
4 This information generally is of little use to publishers. Furthermore, ^{according} to
5 BellSouth, this offering is not designed nor intended to be used as an update
6 service, but is only to allow publishers an opportunity to contact new
7 advertisers.

8 **Q. DOES THE WBAR INCLUDE RESIDENTIAL INFORMATION?**

9 A. No.

10 **Q. COULD THE WBAR BE USED AS AN UPDATE?**

11 A. No. Not in its present format because that is not what it was intended to be.
12 Currently the WBAR includes all business activity for a central office. This
13 includes any change in service, for example addition of some vertical service,
14 disconnects, transfers and new listings. The only information of any value
15 to a publisher is the identification of a new connection, since this identifies
16 new customers. The WBAR should be eliminated and replaced with an
17 offering that is of some use to customers.

18 **Q. WHAT INFORMATION WOULD YOU WANT FROM A WEEKLY**
19 **UPDATE SERVICE THAT THE WEEKLY BUSINESS ACTIVITY**
20 **REPORT DOES NOT CURRENTLY PROVIDE TO DIRECTORY**
21 **PUBLISHER CUSTOMERS?**

22 A. As I stated, I understand the sole purpose for offering the WBAR is to allow

1 publishers an opportunity to contact new businesses only for the selling of
2 yellow pages advertising. The WBAR is not designed for nor intended to be
3 used by a publisher as "an update service". Therefore there would be no need
4 for a WBAR service if all listing update were made available to publishers.
5 Such an update service must include all central office activity and it must be
6 made available with specific codes to designate the type service (residential,
7 business, ISDN, government, FX, RCF, etc.) along with the activity involved
8 for each listing such as changes, additions or deletions (new service connects,
9 disconnected service, relocation of service, request for non-published, etc...).

10 A publisher must have this information at least weekly if not more often for
11 the purposes of distribution of directories and the opportunity to contact new
12 businesses about advertising. All listing updates must be made available on
13 a selective basis (like a menu) and not bundled together on an all or nothing
14 basis nor be bundled with needless and useless information to the publisher
15 ordering the update services.

16 **Q. HOW DO DIRECTORY PUBLISHERS CURRENTLY USE THE**
17 **INFORMATION IN BELLSOUTH'S WBAR?**

18 A. Generally FIDP's do not currently subscribe to the WBAR in Florida because
19 the information is of little value and the costs are prohibitive based on the
20 bundling of unnecessary information and the high rate. I'll come back to this.

21 A WBAR includes all business activity for a particular company.
22 Specifically these include business customers with a code for each order type:

1 C-change, D-disconnect, N-new, R-?, and T- transfer. The only order type
2 necessary for the opportunity to sell advertising is the N-new.

3 **Q. WHAT INFORMATION SHOULD BE ADDED OR DELETED FROM**
4 **THE WBAR TO MAKE THIS DPDS SERVICE REFLECTIVE OF**
5 **WHAT FIDP NEEDS?**

6 A. The WBAR should be changed to read WAR, Weekly Activity Report, to
7 include all weekly activity of service orders for a particular company, to
8 include, but not limited to, all activity with a specific code for each order
9 type. C, D, N, R & T is fine. But each type of service should be designated
10 as well: **Business, Government, Residential, Foreign eXchange, Remote Call**
11 **Forward.** In the case where either a customer changes to a non-published
12 number or establishes new service with a non published number, it should be
13 designed somehow (UP) and only the name and address furnished without
14 the number. If for any reason the name must be omitted, at least the complete
15 address should be furnished. With this information, the WAR becomes an
16 update service should a publisher choose to receive all activity information
17 that effects listings. Otherwise, a publisher may choose only that information
18 they deem necessary and essential for their particular type of directory to be
19 published, and only be charged for what they received.

20 **Q. YOU MENTIONED BUNDLING AND UNBUNDLED RATES. WHAT**
21 **DID YOU MEAN?**

22 A. Currently in order to acquire information on new customers, we have to

1 subscribe to the WBAR and for our subscription we get a listing of all
2 changes in a central office. A publisher pays on a per listing basis and not
3 simply for new listings. The result is a very expensive service. For example,
4 in a central office of 100,000 customers, an independent publishers pays the
5 tariff rate of \$.006 per listing every time the WBAR is obtained. This equals
6 to \$600.00 per month or \$7,200.00 annually. If in any month there were no
7 new customers in the central office, the publisher would have paid \$600.00
8 for nothing. The effective rate for publishers to pay is many times greater
9 than the \$.006 per listing.

10 **Q. HAVE YOU REVIEWED COST STUDIES FOR THESE SERVICES?**

11 A. No, not as of the time this testimony was prepared. BellSouth offered to
12 make cost studies available to us for review upon execution of a
13 nondisclosure agreement.

14 **Q. OTHER THAN THE COST STUDIES WHICH MAY HAVE**
15 **RECENTLY BEEN FILED IN THIS DOCKET HAVE YOU SEEN**
16 **ANY OTHER COST STUDIES FOR THESE SERVICES?**

17 A. Yes. When BellSouth first filed this tariff they also filed supporting cost
18 studies. These were not filed as proprietary studies and, in fact, the
19 information shows up in some of the Staff Recommendations.

20 **Q. WHAT DID THESE SHOW?**

21 A. That the cost for the DPDS base file is \$.003 as compared to the rate of \$.04
22 per listing and the cost of the WBAR is \$.004 compared to a rate of \$.006.

1 Q. YOU ALSO REFERENCED AN UPDATE SERVICE. WHAT WOULD
2 AN UPDATE SERVICE THAT IS "REASONABLE IN FORMAT,
3 UNBUNDLED, AND AT A REASONABLE RATE" CONSIST OF?

4 A. An update service would consist of the name, address and telephone number
5 and billing address for residential customers whenever there is a new connect,
6 disconnect or change in the listed name, listed address, listed phone number
7 or billing address. For government and business subscribers, the listed name,
8 listed address, listed phone number, business classification, service contact
9 name and billing address whenever there is a new connect, disconnect or
10 change to the listing information as outline above. In the case where there is
11 an unlisted or non-published number, the complete mailing address would be
12 sufficient for the purposes or delivery and distribution of directories. Since
13 there is no alternate resource for this essential information to establish an
14 acceptable formula for what is considered a reasonable rate, this rate and all
15 rates for services and information furnished by BST must be set by using the
16 incremental cost to provide the service with a reasonable return to BST. The
17 methods and process to provide such essential services and information, must
18 be set up in a reasonable manner so as not to drive up the costs of the
19 services.

20 Q. HOW OFTEN MUST DIRECTORY PUBLISHERS RECEIVE
21 RESIDENTIAL AND BUSINESS NEW CONNECT INFORMATION
22 TO REMAIN COMPETITIVE IN THE DIRECTORY PUBLISHING

1 **INDUSTRY?**

2 A. Publishers must receive residential and business new connect information as
3 soon as it is available to BAPCO or utilized by BST or its designee for the
4 distribution of its own directory. It must also be made available on an
5 unbundled basis and at a reasonable rate so as not to make the service
6 prohibitive to FIDP's. In the case where there is an unlisted or non-published
7 number, the complete mailing address, without the name or phone number is
8 essential to be included in the services and would be sufficient for the
9 purposes of delivery and distribution of directories only.

10 **Q. IF BELLSOUTH IS REQUIRED TO OFFER A NEW CONNECT**
11 **SERVICE, SHOULD BELLSOUTH PROVIDE THE INFORMATION**
12 **WITH BOTH RESIDENTIAL AND BUSINESS NEW CONNECT**
13 **INFORMATION LISTED?**

14 A. Yes. Right now BST and/or BAPCO nationally, regionally and locally
15 market the fact they are the only source of advertising (yellow pages) that
16 reaches new residents when they first move in, at a time when new residents
17 would need the use of a yellow pages directory more than most people. BST
18 has continued to refuse this essential information to publishers of competitive
19 yellow pages directories and BAPCO is able to exploit their ability to access
20 new residents in their marketing programs to sell yellow pages advertising.

21 **Q. IS THERE ANY DIFFERENCE BETWEEN A WBAR CONSISTING**
22 **OF BOTH RESIDENTIAL AND BUSINESS LISTINGS AND AN**

1 **UPDATE SERVICE OR NEW LISTING SERVICE?**

2 A. Yes, there is a difference. First of all, the WBAR, in its current state, is a
3 bundled service where most of the information is useless and publishers are
4 forced to purchase it all in order to receive the essential new business
5 connects. The sole purpose of the WBAR is for the solicitation and selling
6 of yellow pages advertising only, as it is specifically stated, and not be used
7 as an update service. An update supplies supplemental information on
8 changes, additions and deletions used to maintain a database of subscriber
9 listings. Any services or access to essential information enjoyed by BAPCO
10 and denied to a competitor is unfair and unreasonable. These services
11 include but are not limited to: complete, accurate and up-to-date subscriber
12 listings at a fair and reasonable price based on BST's incremental cost to
13 provide; the timely delivery of all new connects of business service
14 customers so we might have the equal opportunity to contact such business
15 for the purpose of soliciting and selling advertising by our own schedule and
16 not that of BAPCO's; the timely delivery of all new connects of residential
17 services so we might have the equal opportunity to deliver one of our
18 directories at the same time BAPCO and/or BST's directory arrives.

19 **Q. WHAT WOULD BE A REASONABLE FORMAT AND RATE FOR A**
20 **NEW CONNECT SERVICE IF OFFERED BY BELLSOUTH?**

21 A. With the development of the Internet and BST's established presence,
22 Bulletin Board Service and modems, BST could easily make the new connect

1 service information immediately available to those wishing to download the
2 current information as it is posted daily. The rate for all services and
3 information from BST to competitive publishers should be based solely on
4 the actual cost to provide the service/information, plus a reasonable return.
5 This pricing format is commonly referred to as "incremental cost pricing."

6 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

7 **A. Yes it does.**

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1 Q. PLEASE STATE YOUR NAME AND ADDRESS.

2 A. My name is Gerry Screven and my business address is 115 Newman Drive,
3 Brunswick, Georgia, 31520

4 Q. ARE YOU THE SAME GERRY SCREVEN THAT PREFILED
5 DIRECT TESTIMONY IN THIS DOCKET?

6 A. Yes I am.

7 Q. HAVE YOU HAD AN OPPORTUNITY TO REVIEW THE PREFILED
8 DIRECT TESTIMONY OF M. LYNN JUNEAU?

9 A. Yes. I have.

10 Q. DO YOU AGREE WITH HER PROPOSALS?

11 A. No. I do not.

12 Q. MR. JUNEAU STATES THAT BELLSOUTH SHOULD NOT BE
13 REQUIRED TO OFFER A LISTING SERVICE CONSISTING OF
14 NEW CONNECTS. DO YOU AGREE?

15 A. Absolutely not. As I addressed this issue in my direct testimony without
16 access to new connects independent publishers are at a severe disadvantage.
17 Ms. Juneau says that lists consisting solely of new connects are not required
18 to publish directories. While this may be technically correct it misses the
19 point. Without access to new connect lists, how else would an independent
20 publisher contact new customers or be able to maintain an up to date
21 publication? This information is available to the publishing affiliate of
22 BellSouth and it certainly ought to be available to competitors. By not

1 providing current customer information, such as new connects, to
2 independent publishers BellSouth simply precludes development of
3 meaningful competition to an affiliated company.

4 **Q. ^{MR.} MS. JUNEAU STATES THAT THE MONTHLY REFRESH OPTION**
5 **IS APPROPRIATE. DOESN'T THIS SATISFY YOUR**
6 **REQUIREMENTS?**

7 A. No. Again, I addressed the requirements for independent publishers in my
8 direct testimony.

9 **Q. ^{MR.} MS. JUNEAU ALSO TESTIFIES THAT IT IS APPROPRIATE TO**
10 **PLACE RESTRICTIONS ON USE OF THE DPDS TARIFF. DO YOU**
11 **HAVE A COMMENT?**

12 A. Yes. FIDPs have consistently asserted that directories could be published in
13 electronic format. The staff agreed, the Commission agreed. Despite this,
14 BellSouth published a tariff that includes restrictions which are theirs and
15 which are contrary to the Commission order. First, we should not be required
16 to expend time and money on an issue which is so clearly covered by the
17 Commission order. Secondly, why should BellSouth be able to tell us how
18 we can use information which we have paid for? This is little more than an
19 effort to control our business which simply should not be permitted. We
20 want the ability and flexibility to publish directories in any format -- just like
21 BellSouth does now. We do not want to get into the directory assistance
22 business, in fact, we know that there is a separate tariff on this information.

1 We want to publish directories and we simply want nondiscriminatory access
2 to do so.

3 **Q. MR. JUNEAU SAYS IN HER SUMMARY THAT BELL SOUTH HAS**
4 **WORKED WITH PUBLISHERS TO DEVELOP A SERVICE THAT**
5 **MEETS CUSTOMER NEEDS AT A FAIR PRICE. DO YOU HAVE A**
6 **COMMENT?**

7 A. Yes. In the first place I don't agree that the offerings in the DPDS tariff are
8 at a "fair price." According to responses to discovery requests, the prices are
9 set at "market price" but unfortunately for publishers there are no other
10 sources for this valuable information. The prices are not related to cost and
11 in fact, cost studies demonstrate that the prices greatly exceed costs. As to
12 the offerings being responsive to customer needs, Ms. Juneau earlier states
13 that there is no demand for a listing of new connects and BellSouth should
14 not be required to develop and offer services which customers will not buy
15 in sufficient quantity. How can they be respons^{ive} if they do not want to
16 offer services? BellSouth provides the exact same information to their
17 affiliated publisher which the independent publishers want and this
18 information should be provided.

19 **Q. MS. JUNEAU SAYS THAT THE FLORIDA DPDS TARIFF IS A**
20 **RESULT OF REGIONAL NEGOTIATIONS. DO YOU AGREE?**

21 A. She is correct that there have been communications and meetings in other
22 states with respect to the DPDS tariff. I would not agree that these were

1 “regional” negotiations nor am I aware of any agreement that was reached
2 with respect to the Florida DPDS tariff.

3 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

4 **A. Yes it does.**

1 Q (By Mr. Horton) Mr. Screven, have you
2 prepared a summary of your testimony?

3 A Yes, I have.

4 Q Would you please give that?

5 A Yes.

6 The Florida Independent Directory Publishers
7 compete directly and against BellSouth and their
8 publisher, BAPCO, as well as other local service
9 providers in the publishing of independent directories
10 and the distribution of those directories in two major
11 areas. One is for users usage of the directories, and
12 two, is in the selling of Yellow Page advertising.

13 Right now independent directory publishers
14 are at a very competitive disadvantage. It has been
15 so since they developed about 10 or 12 years ago in
16 being able to compete equally and fairly with these
17 local exchange carriers and their publishers.

18 We are looking to the Commission to amend --
19 to direct BellSouth to amend the orders to create a
20 level playing field that would allow us to compete in
21 these areas. To give us direct access and fair access
22 at a reasonable price to all of the information
23 necessary.

24 The issues at hand, the first one is dealing
25 in the format.

1 When this Commission issued an order last
2 spring, we expected to receive the amended tariff that
3 would include language that was at that time
4 recommended by the Staff that would not impose any
5 limitations on the directory publishers as to format
6 and method and use of the directory information that
7 we purchased under this tariff. In their subsequent
8 order -- excuse me, the subsequent tariff that was
9 submitted by Bell did not include such language, as we
10 assumed to have been included in the order.

11 How the information is used and compiled by
12 independent publishers should not be controlled or
13 restricted or limited certainly by their competitor,
14 BellSouth in the marketplace. We feel like BellSouth
15 has no controls on themselves, or limitations in
16 their own use of that same information. And it would
17 be unreasonable and unfair for them to impose the same
18 controls on us. It would hinder the ability to
19 develop new products and services for the communities
20 and the people at large.

21 The second issue at hand is dealing with the
22 newcomers; the new residential connects.

23 When the Commission issued its order last
24 spring, initially the Staff had recommended that
25 BellSouth include in its tariff the residential new

1 connects in the Weekly Business Activity Report
2 service that they were currently providing. And for
3 whatever reason it did not end up in the language as
4 the new tariff was filed. And this is a very
5 essential element of our competition with BellSouth.

6 Newcomers into a community represent in
7 BellSouth's area approximately 20% on an annual basis
8 of their local exchange carriers. And this 20% of the
9 people only right now receive the BellSouth telephone
10 directory and they are denied access of our
11 directories; for a right to choose between which
12 directory they would like to use. And this
13 information is essential for us to be able to compete
14 for usage in the marketplace.

15 Many of our directories -- the reason we
16 have them on exhibit today is because we feature many
17 features and components of our directories that are
18 not only useful but valuable to people in the
19 community. And such features have been developed only
20 through competition of the directory publishing
21 business over the years.

22 We feel like it's very, very important that
23 this Commission direct BellSouth to amend its order to
24 include the residential new connects for us to have
25 the same as they utilize themselves or furnish to

1 BellSouth for the distribution of their directories.

2 We need to have this as a level playing field.

3 This 20% of the community is an impacting
4 segment of the community. New movers, when they move
5 into a community, I think it's pretty well accepted
6 they are more dependent, and have greater need and are
7 more likely to use a telephone directory at that time
8 than the other segment of the population. Because
9 they are dependent upon the directory to direct them
10 to the products and services they need in settling
11 down after their move and to establish new buying
12 habits. And BellSouth is aware of the impact that
13 their exclusive distribution at this point has in that
14 element of the community and we need it desperately to
15 be able to compete equally.

16 The third issue is an update service.
17 BellSouth has offered what they contend is a refresh
18 update service which is not sufficient to what we need
19 as a company.

20 BellSouth offers a daily update service or
21 complete transmittal of daily service orders from
22 themselves to BAPCO, which BAPCO utilizes on an
23 ongoing basis any way they need in the course of
24 publishing their directories. We need to have the
25 same equal access to the same information to use as we

1 need necessarily to publish and compete with Bell for
2 this information.

3 We're asking that the Commission direct
4 BellSouth to amend and change its tariff to include an
5 actual update service that would be reasonable and
6 affordable and not bundled with any other services or
7 any other rates that would prohibit us from having
8 access -- or equal or reasonable access to this
9 information. And we think that the rates should be on
10 a fair and reasonable basis.

11 The final issue is based on some of the
12 prices that we have on the all three matters.

13 It seems that the base price for all of
14 Bell's rates to us as independents is the 4 cents a
15 listing, which is derived from the cost study they
16 filed in the original filing of this tariff that
17 showed a .003 cents, or 3 mills, three-tenths of one
18 penny as their cost. And by charging 4 cents a
19 listing as their base from which all other rates are
20 derived, that shows in excess of 1300% markup with
21 over a 1200% return on their investment. That's a
22 tremendous, outrageous profit margin for any services.

23 The tendency of BellSouth in providing the
24 services to independents has always been to bundle
25 stuff together with useless and nonvaluable