

**Consumer Federation of America  
Florida Consumer Action Network  
Florida Public Interest Research Group  
Florida Action Coalition Team  
Consumer Fraud Watch  
Advocacy Network  
Gray Panthers  
AARP**

**Consumer Advocates Call On PSC To Take Action  
to End BellSouth Phone Monopoly**

*New Study Shows Florida Residents Could Save \$100 million If Regulators  
Succeed In Opening Local Phone Markets to Competition*

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**(Tallahassee, Wed., Oct. 31, 2001)** – National and state consumer advocates today called on the Florida Public Service Commission (PSC) to end BellSouth's local phone monopoly by compelling the company to open its local markets up to competition *before* it approves BellSouth's application to enter the long distance market.

At the same time, a new report released by the Consumer Federation of America (CFA) estimates that Florida consumers could save as much as \$100 million per year on their phone bills if local markets are genuinely open to competition. Authored by Dr. Mark N. Cooper, CFA's Director of Research, the report also examines how BellSouth's obstructionism is a key reason for the failure of local phone competition in Florida, and what steps state regulators must take to remedy the situation.

"The news that BellSouth is talking to AT&T about buying its long distance business intensifies the need for the PSC to break BellSouth's stranglehold on local phone service in Florida," said Cooper. "If regulators don't take action now to free up competition in the local market, BellSouth will be on course to enjoy a double monopoly in Florida—local and long distance."

"For the past five years BellSouth has shown nothing but contempt for the pro-competition provisions of the Telecom Act, and has done just about everything possible to avoid opening its local phone markets up to competition," Bill Newton, the Interim Executive Director of Florida Consumer Action Network (FCAN) said. "Until BellSouth can demonstrate that it has changed its tune and is ready to allow competitors into the market, the PSC should take a stand and not approve BellSouth's long distance application."

This morning the coalition members delivered a letter to the PSC outlining their concerns. The letter was signed by representatives of **AARP, Florida Consumer Action Network (FCAN), Florida Public Interest Research Group (PIRG), Consumer Fraud Watch, Florida Action Coalition Team, Advocacy Network, the Gray Panthers, and the Consumer Federation of America.**

In the letter, the groups urged the PSC to take the following steps to address the deficiencies in the local telephone market, before it resolves BellSouth's application to provide long distance:

- **Reduce Prices To Levels That No Longer Stifle Competition:** The PSC needs to lower the prices that BellSouth is allowed to charge competitors for network access, while ensuring that all competitors have fair and open access to the telecommunications grid. The Commission's recent decision to accept price increases on the basis of "inflation adjustments" is unwarranted and should be revisited, if necessary through new hearings. Overall, UNE prices should be reduced to the levels originally recommended by PSC staff.
- **Ensure Fair, Reliable Access to Support Systems:** Operating Support Systems (OSS), which provide critical functions like opening customer accounts, installing and maintaining lines, and managing customer billing, are crucial to the success of local competition. Instead of waiting until after it reaches a decision on BellSouth's 271 application to conclude its review of OSS, the PSC should make OSS an integral part of the 271 process. BellSouth's OSS must be rigorously tested and fully certified *before* the company is allowed into long distance.
- **Stamp Out Anti-Competitive Business Practices:** The Commission should use heavy fines to penalize BellSouth if the company fails to stop using unfair and anti-competitive business practices, or if it doesn't live up to promises to keep its local markets open.

"BellSouth would love to steamroll its long distance application through the PSC within the shortest possible timeframe," said Mark Ferrulo, Campaign Director of Florida PIRG. "But with hundreds of millions of dollars in consumer savings and the future of competition in Florida's telephone markets on the line, the PSC simply can't afford to let this happen."

The full text of the letter and the report are available online at:

- Letter: [http://www.consumerfed.org/florida\\_competition\\_letter\\_200110.pdf](http://www.consumerfed.org/florida_competition_letter_200110.pdf)
- Report: [http://www.consumerfed.org/florida\\_competition\\_200110.pdf](http://www.consumerfed.org/florida_competition_200110.pdf)
- This release: [http://www.consumerfed.org/florida\\_competition\\_release\\_200110.pdf](http://www.consumerfed.org/florida_competition_release_200110.pdf)
- You will need Adobe's free Acrobat Reader to view these documents, available at: <http://www.adobe.com/products/acrobat/readstep.html>.

Information on the groups is available online at:

- Consumer Federation of America: <http://www.consumerfed.org>
- Florida Consumer Action Network: <http://www.fcan.org>
- Florida Public Interest Research Group: <http://www.floridapirg.org/>
- AARP: <http://www.aarp.org>
- Gray Panthers: <http://www.graypanthers.org>