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Carolina Telephone
Centel-North Carolina
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United Telephone-Southeast

James B. Wright
Senior Attorney

February 20, 1997

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Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

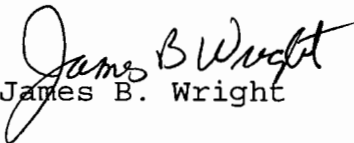
RE: Docket No. 96-01423; UTSE Motion to Strike
Testimony of Michael Harper

Dear Mr. Waddell:

Enclosed for filing in the above case is an original and six
copies of United Telephone-Southeast, Inc.'s Motion to Strike
Testimony of Michael Harper in the above matter.

Please bring this matter to the attention of the Authority.

Very truly yours,


James B. Wright

JBW:mhh

Enclosures

CC: Steve Parrott
Laura Sykora
Counsel of Record (w/encl.)

#9892

CERTIFICATE OF SERVICE
(UTSE Annual Price Cap Adjustment)

The undersigned hereby certifies that the Motion to Strike Testimony of Michael Harper has been served upon the following counsel of record in Docket No. 96-01423 this 20th day of February, 1997, by FAX, by air express, by hand delivery or by placing a copy of the same in the United States Mail postage prepaid and addressed as follows:

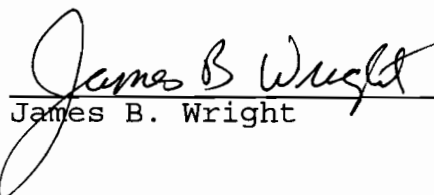
Dianne F. Neal
Tennessee Regulatory Authority
460 James Robertson Parkway
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FAX 615-741-2336

L. Vincent Williams
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Consumer Advocate Division
426 Fifth Avenue North, 2nd Fl.
Nashville, TN 37243-0500
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Richard M. Tettelbaum
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Suite 500, 1400 16th Street, N.W.
Washington, DC 20036
FAX 202-483-9277

Guy M. Hicks
Bennett L. Ross
BellSouth Telecommunications, Inc.
333 Commerce St., Suite 2101
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FAX 615-214-7406

Val Sanford (AT&T)
230 Fourth Avenue, North, 3rd Floor
P. O. Box 198888
Nashville, TN 37219-8888
FAX 615-256-6339


James B. Wright

BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

IN RE: UNITED TELEPHONE-SOUTHEAST, INC. TARIFF NO. 96-201
TO REFLECT ANNUAL PRICE CAP ADJUSTMENT

DOCKET NO. 96-01423

MOTION TO STRIKE TESTIMONY OF MICHAEL HARPER

COMES NOW United Telephone-Southeast, Inc. ("United"), and pursuant to Rule 7.02 of the Tennessee Rules of Civil Procedure, hereby moves the Tennessee Regulatory Authority ("TRA") to strike in its entirety the February 14, 1997 prefiled testimony of G. Michael Harper, the proposed witness for AT&T Communications of the South Central States, Inc. ("AT&T") in this case. In support of this Motion, United shows the following:

Mr. Harper's prefiled testimony relates principally to the cost of switched access and United's current three cent toll rates. He disagrees with the level of access charges and toll rates authorized by the Tennessee Public Service Commission ("TPSC") or the TRA in prior dockets in which AT&T was a party or in which AT&T had notice and could have been a party (Docket No. 90-07832 dealing with incentive regulation, earnings reviews and rate design for 1991-1993; Nos. 93-04818, 94-00389 and 95-02577 dealing with incentive regulation, earnings reviews and rate design for 1994-1996; No. 95-02615 dealing with price regulation; and No. 97-00018 dealing with dual party relay adjustments and CCLC credits). Regardless of the merit or accuracy of the

statements made by Mr. Harper relating to these matters, none of them are appropriate or relevant in this case.

As can be discerned from reading the above caption, this proceeding deals solely with price cap adjustments proposed by United. The Company's tariff proposals are being considered under T.C.A. Section 65-5-209(e), a statutory provision which permits limited PRICE adjustments for companies which are now regulated on the basis of PRICES, not rate base, rate of return costing principles.

Mr. Harper refers to the 1996 Federal Telecommunication Act and the local interconnection rules promulgated by the Federal Communications Commission ("FCC") in CC Docket 96-98 to support his proposals for pricing switched access. However, these rules are applicable only in the context of negotiations regarding local interconnection. This is made abundantly clear in paragraph 30 of the FCC's First Report and Order in CC Docket 96-98 which reads as follows:

"Nothing in this Report and Order alters the collection of access charges paid by an interexchange carrier under Part 69 of the Commission's Rules, when the incumbent LEC provides exchange access service to an interexchange carrier, either directly or through service resale. Because access charges are not included in the cost-based prices for unbundled network elements, and because certain portions of access charges currently support the provision of universal service, until the access reform and universal service

proceedings have been completed, the Commission continues to provide for a certain portion of access charge recovery with respect to use of an incumbent LEC's unbundled switching element, for a defined period of time."

The FCC has in fact opened additional dockets (No. 96-45 dealing with universal service and No. 96-262 dealing with access reform) and has begun addressing the issues raised by AT&T. It is inappropriate for AT&T to attempt to expand this case to deal with such issues since there are FCC dockets pending which were established specifically to address these issues. In any event, the TRA also has pending separately a universal service proceeding (Docket No. 95-02499).

All of the services addressed by Mr. Harper in his testimony (access and toll) are non-basic services as defined by T.C.A. Section 65-5-208(a)(2). Accordingly, United may price these services without regard to cost pursuant to TCA Section 65-5-209(h). United notes that Tennessee law requires a price floor be met in certain cases; however, AT&T's statement that United's access rates are "excessive" would remove their need to make any price floor inquiry in this case.

AT&T desires to transform these proceedings into a collateral attack on issues and decisions previously ruled on by the TRA, the TPSC or the courts. The pricing proposals of United are at issue only in the context of an annual price adjustment filing for a price regulated company. To allow this proceeding to be expanded as implied by AT&T's testimony is clearly

unwarranted and therefore the TRA should grant United's motion and strike Mr. Harper's prefiled direct testimony.

Respectfully submitted,

UNITED TELEPHONE-SOUTHEAST, INC.

By James B. Wright
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United Telephone-Southeast

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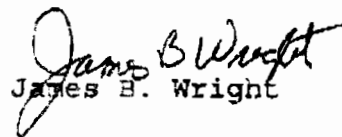
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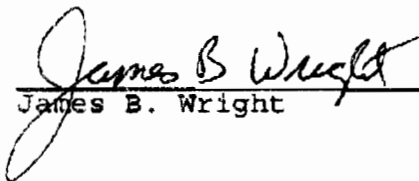
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