BEFORE THE KENTUCKY PUBLIC SERVICES COMMISSION

CAT COMMUNCATIONS INTERNATIONAL, INC.,	)	
Plaintiff	)	
v.	)	
BELLSOUTH TELECOMMUNICATIONS INC.	)	2004-00019
Defendant	)	

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PUBLIC SERVICE COMMISSION

FORMAL COMPLAINT OF
CAT COMMUNCATIONS INTERNATIONAL, INC.
AGAINST BELLSOUTH TELECOMMUNICATIONS, INC.

CAT Communications, International Inc. ("CCI"), in its Formal Complaint and Petition against BellSouth Telecommunications, Inc. ("BellSouth") before the Kentucky Public Services Commission ("the Commission") seeks an expedited Order finding BellSouth has breached the applicable Kentucky statutes, and for such relief as may be appropriate. As set forth herein, in its dealings with CCI, BellSouth has violated and continues to violate state law by unlawfully charging CCI for Emergency Telephone Service Charge and the Telecommunications Relay Services charges.

PARTIES AND JURISDICTION

1. CCI is a corporation organized under the laws of the Commonwealth of Virginia with its principal place of business located at 3435 Chip Drive, N.E., Roanoke Virginia, 24012.

2. BellSouth is a corporation organized under the laws of the state of Georgia, with its principal place of business located at 1155 Peachtree Street, N.E. Atlanta, Georgia 30309.

3. BellSouth is a service provider, which makes it a public service company engaging in and operating a utility business in the State of Kentucky. Therefore, the Commission possesses personal jurisdiction over BellSouth, pursuant to the Kentucky statues cited herein.

4. Correspondence on this matter should be sent to:

Stephen Athanson
General Counsel
CAT Communications International, Inc.
P.O. Box 11845
Roanoke, VA 24022-1845

FACTUAL BACKGROUND

1. CCI is a Competitive Local Exchange Carrier ("CLEC") that began reselling local exchange services in Kentucky in 2000. By order dated June 10, 1999, CCI was granted a certificate of local authority to operate as a carrier of telecommunications services in Kentucky. See Utility ID Number 5050590. CCI currently provides local exchange services to service users in Kentucky and is subject to the jurisdiction of the Kentucky Public Service Commission.

2. BellSouth is an incumbent local exchange carrier ("ILEC") and exclusive provider of "last mile" telephone network equipment and transmission facilities in Kentucky. BellSouth currently provides local exchange services to service users in Kentucky and is subject to the jurisdiction of the Kentucky Public Service Commission.

3. In order to provide local exchange service, CCI currently purchases and resells BellSouth services pursuant to a resale agreement.

4. Pursuant to Kentucky Revised Statute 65.760 (3), CCI is obligated to collect certain surcharges from its service users. These include the emergency telephone service charge, which is imposed of service users to allow localities to recover the cost of implementing and maintaining "911" emergency services. In addition, surcharges are imposed to fund telecommunications relay services for the deaf or hearing-impaired

5. CCI collects these charges from its service users, and has collected these charges since it began doing business in Kentucky.

6. BellSouth imposes this charge on the lines it provides to CCI, lines which CCI resells and charges the fee to the service user.

7. Pursuant to Revised Statute 65.750(10) surcharges are imposed on the telephone subscriber, and not on the service provider. Furthermore, the Statute is clear that it is the duty of the service provider, in this case, CCI, to impose these charges on their service subscribers and remit the funds as set forth in Revised Statute 65.760.

8. CCI's as a reseller and CLEC has a large number of accounts that are uncollectible. The Statutes provide that the service provider remits the charge based on the amount collected. It further gives the service provides the right to pursue legal means to collect from the nonpaying subscribers. As previously stated, BellSouth collects all of the surcharges from CCI, even when the service user does not pay the surcharge to CCI, resulting in CCI paying surcharges it has not been able to collect from its service user. This results in CCI subsidizing the nonpaying customer since CCI must pay fees on all of its accounts.

9. In addition, BellSouth's collect of fees and surcharges for which CCI liable leaves CCI vulnerable should BellSouth fail to properly pay these fees.

WHEREFORE, Plaintiff, CAT Communication International, Inc., respectfully requests the Commission issue an order:

A. Directing BellSouth to cease and desist from charging or collecting "911" and other surcharges from CCI; to find CCI is lawfully entitled to collect these fees and surcharges from its service users; and

B. Such other relief as the Commission deems just and reasonable.

Respectfully Submitted

Stephen Athanson
General Counsel
CAT Communications International, Inc.
P.O. Box 11845
Roanoke, VA 24022-1845
(540) 444-2169

Dated: 1/12/04