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Public Service Commission

September 25, 2002

VIA ELECTRONIC FILING

Honorable Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW - Portals II, TW - A325
Washington, DC 20554

Dear Ms. Dortch:

By this letter, we, the Florida Public Service Commission (FPSC), are providing our consultative opinion (attached) to you, the Federal Communications Commission (FCC), regarding the application of BellSouth Telecommunications, Inc. (BellSouth) for authority to provide in-region interLATA service. The FPSC has conducted extensive proceedings to address BellSouth's application for authority to provide in-region interLATA service which are outlined below.

- June 28, 1996 - the FPSC opened a docket to address BellSouth's compliance with Section 271 of the Federal Telecommunications Act of 1996.
- September 2 - 5, 8, and 10, 1997 - the FPSC conducted an administrative hearing regarding BellSouth's compliance with Section 271.
- November 19, 1997 - Order No. PSC-97-1459-FOF-TL was issued, rendering the FPSC's findings on whether BellSouth had met the requirements of Section 271(c). We found that BellSouth had met checklist items 3,4,8,9,10,11,12,13, and the majority of checklist item 7. However, BellSouth had not met the requirements of checklist items 1,2,5,6, and 14. Finally, we found that BellSouth's SGAT could not be approved at that time.
- August 9, 1999 - Order No. PSC-99-1568-PAA-TP was issued, wherein we decided to proceed with Phase I of third-party testing of BellSouth's OSS. Phase I of third-party testing required a third party, in this case KPMG Consulting LLC, to develop a Master Test Plan (MTP) that would identify the specific testing activities necessary to demonstrate nondiscriminatory access and parity of BellSouth's systems and processes.

- January 11, 2000 - Order No. PSC-00-0104-PAA-TP was issued, whereby we approved the KPMG Consulting MTP and initiated Phase II of third-party testing of BellSouth's OSS.
- February 8, 2000 - Order No. PSC-00-0260-PAA-TP was issued, in which we set forth the interim performance measures to be used during the course of testing to assess the level of service BellSouth is providing to Alternative Local Exchange Carriers (ALECs).
- March 20, 2000 - Order No. PSC-00-0563-PAA-TP was issued, whereby we approved the retail analogs/benchmarks and the statistical methodology that should be used during the OSS third-party testing.
- December 20, 2000 - Order No. PSC-00-2451-PAA-TP was issued, approving revised interim performance measures, benchmarks and retail analogs to be used during the third-party OSS testing. The revised interim measures were ordered to address several changes made to BellSouth's initial set of interim measures approved by Order No. PSC-00-0260-PAA-TP. The revised interim measures included corrections to the business rules used to calculate the measures and additional levels of detail allowing the measures to capture BellSouth's performance on newer services such as Local Number Portability (LNP).
- July 3, 2001 - Order No. PSC-01-1428-PAA-TL was issued, wherein we approved additional changes to update measures and retail analogs and provide additional levels of disaggregation. This was necessitated, in part, because BellSouth issued additional changes to its revised interim measures in other jurisdictions since the issuance of Order No. PSC-00-2451-PAA-TP.
- March 6, 2001 - BellSouth requested we again address whether it had met the 271 criteria to provide in-region interLATA service.
- April 25, 2001 and June 5, 2001 - By Orders Nos. PSC-01-1025-PCO-TL and PSC-01-1252-FOF-TL, respectively, we decided that all operational support system(OSS) aspects would continue to be addressed separately through the third-party test in Docket No. 960786B-TP, which was made into a separate track of this proceeding and operated under a different procedure and time line.
- October 10-11, and 17-19, 2001 - the FPSC conducted an administrative hearing to complete our evaluation of BellSouth's compliance. ACCESS Integrated Networks (ACCESS), AT&T Broadband Phone of Florida, Covad Communications, e.spire, Florida Cable Telecommunications Association (FCTA), Florida Competitive Carriers Association (FCCA), Florida Digital Network (FDN), KMC

Telecom, NewSouth Communications, NuVox Communications, Sprint, TCG South Florida, Time Warner Telecom, U.S. LEC of Florida, WorldCom, XO Communications, and Z-Tel Communications participated in the hearing regarding BellSouth's 271 request.

- June 21, 2002 - KPMG Consulting, Inc. presented its Draft Final Report to the FPSC staff containing preliminary results and conclusions from the third-party testing of BellSouth's OSS. The draft report addressed KPMG's findings regarding the pre-ordering, ordering, provisioning, and maintenance/repair operations support systems.
- July 12, 2002 - a Commission workshop was held to address questions concerning the Draft Final Report. Comments on the draft report were filed by parties on July 24, 2002.
- July 30, 2002 - KPMG Consulting submitted its Final Report regarding the third-party testing. The Final Report contains KPMG Consulting's final conclusions regarding BellSouth's pre-ordering, ordering, provisioning, and maintenance and repair operating support systems.
- September 9, 2002 - we considered both staff's recommendation on KPMG's final report addressing BellSouth's OSS and staff's recommendation on the 271 issues addressed at our hearing at an Agenda Conference.

Based upon the extensive evidence considered in this matter, it is our opinion that BellSouth has met the necessary 271 criteria to provide in-region interLATA service. I think that you will agree that our process has given us the time to thoroughly examine all pertinent aspects of BellSouth's 271 request. Further, we believe that the independent third-party testing for BellSouth's OSS has provided us with the necessary tools to ensure BellSouth's compliance and our future ability to monitor BellSouth's compliance.

Despite ongoing concerns regarding some of the currently disputed issues in the OSS testing, we are optimistic that Florida consumers will benefit from BellSouth's entry into the in-region interLATA market. As noted above, we will continue to monitor our markets and work with the FCC to foster the growth of competition in Florida.

Competition is a process. The goal is to provide Florida's consumers with real choices in the telecommunications market. That is the ultimate benefit to the consumer. Even though we are recommending that you grant 271 approval, BellSouth, other companies, and the FCC should take notice that the FPSC, consistent with federal and state law, will make every effort to remove impediments that stand in the way of facilitating a competitive environment. Our role in overseeing

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the growth of competition in the state of Florida is ongoing. We look forward to continuing our cooperation with you in encouraging continued competition in Florida.

Sincerely,

/ s /

Lila A. Jaber
Chairman

LAJ: bk/pac
Enclosures (2)

cc: Michael Powell, Chairman, Federal Communications Commission (w/o enclosure)
Kathleen Abernathy, Commissioner, Federal Communications Commission (w/o enclosure)
Michael Copps, Commissioner, Federal Communications Commission (w/o enclosure)
Kevin Martin, Commissioner, Federal Communications Commission (w/o enclosure)
Parties of Record in Dockets Nos. 960786A&B (w/o enclosure)
Janice Myles, Wireline Competition Bureau (12 copies/e-mail)
Qualex International (1 copy)
Sara Kyle, Chairman, Tennessee Regulatory Authority (e-mail)
Luin Fitch, DOJ (e-mail)
Christine Newcomb, FCC (e-mail)