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September 20, 1996

Mrs. Blanca S. Bayo  
Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399

RE: Docket Nos. ~~4-1-1~~ TP/960346-TP/96091-TP

Dear Mrs. Bayo:

Enclosed are an original and fifteen copies of BellSouth Telecommunications, Inc.'s Prehearing Statement. Please file these documents in the captioned dockets.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served on the parties shown on the attached Certificate of Service.

Sincerely,

*Nancy B. White (aw)*  
Nancy B. White

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1 Enclosures

cc: All Parties of Record  
A. M. Lombardo  
R. G. Beatty  
W. J. Ellenberg

RECEIVED & FILED

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DOCUMENT NUMBER-DATE  
18067 SEP 20 96  
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Matter of the )  
 Interconnection Agreement )  
 Negotiations Between AT&T )  
 Communications of The )  
 Southern States, Inc. and ) Docket No. 960833-TP  
 BellSouth Telecommunications, )  
 Inc. Pursuant to 47 U.S.C. )  
 § 252 )

In re: Petition by MCI for )  
 arbitration of certain terms and )  
 conditions of a proposed )  
 agreement with BellSouth ) Docket No. 960846-TP  
 Telecommunications, Inc. )  
 concerning interconnection and )  
 resale under the )  
 Telecommunications Act of 1996 )

In the Matter of )  
 Petition by American )  
 Communications Services, Inc. )  
 and American Communications )  
 Services of Jacksonville, Inc. ) Docket No. 960916-TP  
 for Arbitration with BellSouth )  
 Telecommunications, Inc. )  
 pursuant to the )  
 Telecommunications Act of 1996 )

PREHEARING STATEMENT OF  
BELLSOUTH TELECOMMUNICATIONS, INC.

BellSouth Telecommunications, Inc. ("BellSouth") in compliance with the Initial Order Establishing Procedure (Order No. PSC-96-1138-PCO-TP), the Order on Consolidation and Procedure (Order No. PSC-96-1039-PCO-TP), and the Order Consolidating Proceedings (Order No. PSC-96-1138-PCO-TP), issued July 17, 1996, August 9, 1996, and September 10, 1996, respectively, submits its Prehearing Statement for Docket Nos. 960833-TP, 960846-TP, and 960916-TP.

A. WITNESSES

BellSouth proposes to call the following witnesses to offer direct and rebuttal testimony on the issues in these dockets. When a final issues list is released by this Commission, BellSouth will specify which issues are associated with each witness:

<u>Witnesses</u>	<u>Subject/Issues</u>
A. J. Varner (Direct and Rebuttal)	
Robert C. Scheye (Direct and Rebuttal)	
Dr. Richard D. Emmerson (Direct and Rebuttal)	
D. Daonne Caldwell (Direct and Rebuttal)	
Walter S. Reid (Direct and Rebuttal)	
Gloria Calhoun (Direct and Rebuttal)	
W. Keith Milner (Direct and Rebuttal)	
Anthony V. Pecoraro (Direct and Rebuttal)	
William V. Atherton, Jr. (Direct and Rebuttal)	

BellSouth reserves the right to call additional rebuttal witnesses, witnesses to respond to Commission inquiries not addressed in direct or rebuttal testimony and witnesses to

address issues not presently designated that may be designated at the prehearing conference to be held on October 3, 1996.

B. EXHIBITS

<u>Witness</u>	<u>Document Indicator</u>	<u>Title of Exhibit</u>
A. J. Varner	AJV-1 (AT&T direct)	Part 51 - Interconnection
Robert C. Scheye	RCS-1 (AT&T direct)	Agreement Between BST and AT&T Corporation
	RCS-2 (AT&T direct)	Price List for Unbundled Service Elements
	RCS-3 (AT&T rebuttal)	Comparison of Resale Proposals
	RCS-4 (AT&T rebuttal)	Local Interconnection, Unbundled Services and New Services Proposed Rates
	RCS-5 (AT&T rebuttal)	BellSouth Negotiations Handbook for Collocation
	RCS-1 (MCI direct)	BellSouth's Modified Version of MCI's Exhibit 4 Term Sheet Items
	RCS-1 (ACSI direct)	Comments of BellSouth in FCC Docket 96-45 dated August 9, 1996
	RCS-2 (ACSI direct)	Comparison of cost to BellSouth and ACSI proposed prices (proprietary)
Dr. Richard D. Emmerson	None	

D. Daonne Caldwell	DDC-1 (AT&T direct)	Illustrative Example for Unbundled Loops
	DDC-2 (AT&T direct)	Unbundled 2-wire Analog Voice Grade Loop Cost Development Procedures
	DDC-3 (AT&T direct)	General Flow Diagram for Developing Nonrecurring Costs
	DDC-4 (AT&T direct)	Drawings of Various Types of Ports
	DDC-5 (AT&T direct)	Illustrative Local Exchange Network
	DDC-6 (AT&T direct)	Loop Channelization System and Central Office Channel Interface
	DDC-7 (AT&T direct)	Florida Cost Study for Unbundled Loops (proprietary)
	DDC-8 (AT&T direct)	Florida Cost Study for 4-wire DS1 Digital Grade Loop (proprietary)
	DDC-9 (AT&T direct)	Florida Cost Study for Unbundled Exchange Ports (proprietary)
	DDC-10 (AT&T direct)	Florida Cost Study for Unbundled Loop Channelization System and Central Office Interface (proprietary)
	DDC-11 (AT&T direct)	Florida Cost Study Special Access Voice Grade Service (proprietary)

DDC-12 (AT&T direct) Florida Cost Study  
for Operator Provided  
and Fully Automated  
Call Handling Service  
(proprietary)

DDC-13 (AT&T direct) Florida Cost Study  
for Verification and  
Emergency Interrupt  
Service (proprietary)

DDC-14 (AT&T direct) Florida Cost Study  
for Directory  
Assistance Access  
Service (proprietary)

DDC-15 (AT&T direct) Florida Cost Study  
for Directory  
Assistance Database  
Service (proprietary)

DDC-16 (AT&T direct) Florida Cost Study  
for Direct Access to  
Directory Assistance  
Service (proprietary)

DDC-17 (AT&T direct) Florida Cost Study  
for DACC Access  
Service (proprietary)

DDC-18 (AT&T direct) Florida Cost Study  
for Directory  
Transport  
(proprietary)

DDC-19 (AT&T direct) Florida Cost Study  
for Number Services  
Intercept Access  
Service (proprietary)

DDC-20 (AT&T direct) Florida Cost Study  
for CCS7 Signaling  
Transport Service  
(proprietary)

DDC-21 (AT&T direct) Florida Cost Study  
for 800 Access Ten  
Digit Screening  
Service

	DDC-1 (ACSI direct)	Illustrative Example for Unbundled Loops
	DDC-2 (ACSI direct)	Unbundled 2-wire Analog Voice Grade Loop Cost Development Procedures
	DDC-3 (ACSI direct)	General Flow Diagram for Developing Nonrecurring Costs
	DDC-4 (ACSI direct)	Loop Channelization System and Central Office Channel Interface
Walter S. Reid	WSR-1 (AT&T direct)	Florida Resale Study
	WSR-2 (AT&T direct)	Avoided Cost Discount
	WSR-3 (AT&T Supp.)	Model Basic Equation Calculation based on criteria in FCC's Report and Order released on August 8, 1996
	WSR-1 (MCI direct)	Florida Resale Study
	WSR-2 (MCI direct)	Avoided Cost Discount
	WSR-3 (MCI direct)	Model Basic Equation Calculation based on criteria in FCC's Report and Order released on August 8, 1996
	WSR-4 (MCI rebuttal)	Florida Analysis of MCI Model
	WSR-5 (MCI rebuttal)	Florida Analysis of MCI Model
Gloria Calhoun	GC-1 (AT&T direct)	Timeline and Costs

	GC-2 (AT&T direct)	Sample Local Service Request Depicting "Switch As Is"
	GC-3 (AT&T direct)	Comparison of Access and Resale Electronic Order Communications Process
	GC-4 (AT&T direct)	Pre-Ordering Interface for Resellers
	GC-5 (AT&T direct)	Comparison of Access and Resale Processes for Electronic Trouble Reporting
	GC-1 (MCI rebuttal)	BellSouth May 28, 1996 Report filed in response to Order No. PSC-96-0444-FOF-TP in Docket No. 950984-TP
W. Keith Milner	WKM-1 (AT&T direct)	High level view of loop architecture with individual loop elements
	WKM-2 (AT&T direct)	Functional schematic of Network Interface Device
	WKM-3 (AT&T direct)	Pertinent section of National Electrical Code relating to grounding of Network Interface Device
	WKM-4 (AT&T direct)	Loop composition relative to Network Interface Device
	WKM-5 (AT&T direct)	Loop Composition relative to Distribution Media



	WKM-6 (AT&T direct)	Loop composition relative to Concentrator/Multiplexer
	WKM-7 (AT&T direct)	Loop composition relative to Contiguous Loop
	WKM-8 (AT&T direct)	Loop composition relative to Integrated Digital Loop Carrier "hair pin" configuration
	WKM-9 (AT&T direct)	Loop composition relative to Loop Feeder
	WKM-10 (AT&T direct)	Loop composition in typical special access Feeder circuit
	WKM-11 (AT&T direct)	Letters from Lucent Technologies and Nortel regarding existing capabilities of their respective switching products relative to selective routing
	WKM-12 (AT&T direct)	Table showing Line Class Code (LCC) capacities in the various switch types used in BellSouth's network in Florida
	WKM-13 (AT&T direct)	Table showing the results of BellSouth's study of LCC consumption as a result of selective routing
Anthony V. Pecoraro	AVP-1 (AT&T rebuttal)	Call Translation Blocks

	AVP-2 (AT&T rebuttal)	Terms used in Translation Table Descriptions
	AVP-3 (AT&T rebuttal)	Translations Table Association Chart
	AVP-1 (MCI direct)	Call Translation Blocks
	AVP-2 (MCI direct)	Terms used in Translation Table Descriptions
	AVP-3 (MCI direct)	Translations Table Association Chart
William V. Atherton	WVA-1 (AT&T direct)	Interoffice Interconnection
	WVA-1 (MCI direct)	Interoffice Interconnection
	WVA-2 (MCI direct)	Interoffice Interconnection

BellSouth reserves the right to file exhibits to any additional testimony that may be filed under the circumstances identified in Section "A" above. BellSouth also reserves the right to introduce exhibits for cross-examination, impeachment, or any other purpose authorized by the applicable Florida Rules of Evidence and the Rules of this Commission.

C. STATEMENT OF BASIC POSITION

BellSouth has negotiated in good faith with AT&T, MCI, and ACSI for several months in an effort to reach an interconnection agreement. MCI and BellSouth were able to resolve several issues, including, but not limited to, the financial and

technical arrangements for local interconnection, directory listings, and 911 issues. MCI and BellSouth signed a Partial Agreement for several states, including Florida, on May 13, 1996. The Partial Agreement was filed with and approved by this Commission under the provisions of Section 252 of the Telecommunications Act of 1996 (the "Act") on August 13, 1996. On July 25, 1996, BellSouth and ACSI signed a Partial Agreement resolving most of the issues between these parties. This Partial Agreement was filed with the Commission on August 20, 1996.

As a result of the parties' inability to reach agreement on some critical issues, AT&T, MCI, and ACSI exercised their option under Section 252 of the Act and petitioned the Commission for Arbitration of these issues. BellSouth, however, believes that the Act is specific as to the issues that are to be arbitrated, and as such, some of the issues that AT&T and MCI have requested be arbitrated are beyond the scope of the Act and are not issues appropriate for the Commission to arbitrate.

Moreover, MCI, in spite of the Partial Agreement between BellSouth and MCI, insists that certain items contained in that agreement should be arbitrated. At the time that the Partial Agreement was entered into, Florida and Tennessee had state proceedings underway dealing with interconnection and unbundling issues. MCI wished to retain its rights to continue to participate in such proceedings and Section II B of the Partial

Agreement allowed such participation. Section II B was not intended to allow MCI to revisit the specific issues in arbitration proceedings. That, however, is what MCI is attempting.

On August 8, 1996, the Federal Communications Commission ("FCC") released its First Report and Order in Docket No. 96-98 (the "Order") concerning interconnection issues. With regard to the pricing of unbundled loops, the FCC Order established a Florida proxy loop rate for use on an interim basis until such time as Total Element Long Run Incremental Cost ("TELRIC") studies were completed by BellSouth. Moreover, the FCC Order requires pricing of loop rates for at least three geographically deaveraged zones. The FCC order also set a proxy rate for local interconnection.

BellSouth believes that the FCC's Order contravenes the clear intent of Congress in the Act and is a case of regulatory micromanagement by the FCC. The Order is not final and various entities including the Florida Public Service Commission and BellSouth have publicly declared their intent to appeal the Order, as well as in some instances to seek a stay. In the interim, the Commission must continue to exercise its authority to carry out its responsibilities in implementing Congress' intent. Until such time as it becomes known whether the FCC Order will stand, and until such time as BellSouth submits TELRIC

studies, BellSouth believes the Commission should price loops at BellSouth's proposed rates on a non-deaveraged basis and price interconnection at BellSouth's proposed rate.

Although the parties have requested the arbitration of a myriad of issues in their petitions, three major issues stand out: the specific elements to be unbundled, the pricing of local interconnection and the unbundled elements, and the appropriate resale discount. BellSouth believes that the local interconnection rate should be set at a rate that mirrors the traffic sensitive elements of the toll switched access rate, i.e. approximately \$0.01 per minute. This will facilitate the inevitable transition of all interconnection types to a single rate structure. BellSouth's proposed rate is consistent with the pricing standards of the Act and has been agreed to by other competitors, including MCI, in agreements reached with BellSouth.

BellSouth also believes its proposal for pricing the various unbundled elements is consistent with the Act, with Florida Statutes, and with previous decisions by this Commission. BellSouth has submitted LRIC/TSLRIC cost studies to support these rates. By contrast, the other parties propose adoption of the Hatfield Model which is not an appropriate model for pricing. Moreover, the parties have proposed deaveraged loop rates that are not feasible in Florida until a complete restructure of local rates is accomplished. In addition, BellSouth has set forth

exactly which unbundled elements BellSouth is technically able to provide and which unbundled elements are not technically feasible. Further, BellSouth believes its avoided cost study is consistent with the Act, indicating clearly the costs that will be avoided for resale.

BellSouth believes its positions on the individual issues in this case are reasonable, nondiscriminatory and will lead to local competition in the State of Florida. Moreover, BellSouth's recommendations will allow BellSouth to remain a viable local exchange company, providing quality telecommunications services at affordable rates to consumers in Florida. Overall, BellSouth's recommendations are in the public interest, comport with the provisions of Sections 251 and 252 of the Act, and form the basis for a full interconnection agreement between BellSouth and MCI, AT&T, and ACSI.

#### D. BELLSOUTH'S POSITION ON THE ISSUES

##### **Issues common to AT&T, MCI, ACSI, and BellSouth:**

Issue No. 10: a) Are the following items considered to be network elements, capabilities, or functions? If so, is it technically feasible for BellSouth to provide AT&T, MCI, or ACSI with these elements?

Network Interface Device (AT&T, MCI)  
Unbundled Loops (AT&T, MCI, ACSI)  
Loop Distribution (AT&T, MCI)  
Loop Concentrator/Multiplexer (AT&T)  
Loop Feeder (AT&T)

Local Switching (AT&T, MCI)  
 Operator Systems (DA service/911 service) (AT&T, MCI)  
 Multiplexing/Digital Cross-Connect/Channelization  
 (AT&T, MCI, ACSI)  
 Dedicated Transport (AT&T, MCI)  
 Common Transport (AT&T, MCI)  
 Tandem Switching (AT&T, MCI)  
 AIN Capabilities (AT&T, MCI)  
 Signaling Link Transport (AT&T, MCI)  
 Signal Transfer Points (AT&T, MCI)  
 Service Control Points/Database (AT&T, MCI)

b) What should be the price of each of the items

considered to be network elements, capabilities, or functions?

Position: BellSouth offers the following in response to

10(a) and (b):

Network Interface Device ("NID")

(1) NID-to-NID connection should not be considered an unbundled element, however, it is technically feasible. BellSouth will develop an appropriate rate.

(2) Neither unbundling of the NID nor direct connection of the AT&T or MCI loop to the BellSouth NID are technically feasible.

Unbundled Loops

These are unbundled network elements and are technically feasible. BellSouth's proposed prices are as follow:

	Monthly Rate	Nonrecurring Rate
2-wire analog voice grade loop	\$17.00	\$140.00 / first \$ 45.00 / add'l
4-wire analog voice grade loop	\$ 31.90	\$140.00 / first \$ 45.00 / add'l
4-wire DS-1 digital grade loop	\$140.90	\$740.00 / first \$645.00 / add'l
2-wire ISDN digital grade loop	\$ 43.00	\$360.00 / first

\$325.00 / add'l

BellSouth has not yet developed cost studies for these 2-wire ADSL and 2-wire/4-wire HDSL loops and is currently analyzing the technical capabilities required to provide such loops.

Loop Distribution

Loop distribution is not technically feasible and cannot be provided.

Loop Concentrator/Multiplexer

Non-central office based loop concentrator/multiplexer is not technically feasible and cannot be provided.

Loop Feeder

Loop feeder will be provided as part of the unbundled loops.

Local Switching

Local Switching capability, involving the line termination (port) and line side switching (dialtone) is an unbundled network element. BellSouth's proposed rates are contained in Mr. Scheye's testimony. If defined to include selective routing, this is not considered to be an unbundled network element, capability, or function. Local switching, if defined as selective routing, is not technically feasible for all ALECs.

Operator Systems

Unbundled operator services are unbundled network elements. BellSouth's proposed rates are contained in Mr. Scheye's testimony. If defined to include specific branding requirements associated with selective routing, this is not considered to be an unbundled network element, capability, or function. Operator systems, if defined to include these functions, is not technically feasible.

Multiplexing/Digital Cross-Connect/Channelization

These elements are technically feasible and BellSouth's proposed rates are included in Mr. Scheye's testimony.

Dedicated Transport

Unbundled dedicated transport is an unbundled network element offered under the same rates, terms, and conditions as described in BellSouth's Special Access Tariff.

Common Transport

Unbundled common transport is an unbundled network element, currently offered under the same rates, terms, and conditions as described in BellSouth's Switched Access Tariff. Because by its



definition, common transport connects two BellSouth switches, it must be provided in conjunction with these switches.

Tandem Switching

This is considered to be an unbundled network element, capability or function and is technically feasible. BellSouth's proposed rates are included in Mr. Scheye's testimony.

AIN Capabilities

This is considered to be an unbundled network element, and will be provided with mediation. Analysis is still underway to define the rates, terms and conditions.

Signaling Link Transport

This is considered to be an unbundled network element, capability or function and is technically feasible. BellSouth's proposed rates are contained in Mr. Scheye's testimony.

Signal Transfer Points

This is considered to be an unbundled network element and is technically feasible. BellSouth's proposed rates are contained in Mr. Scheye's testimony.

Service Control Points/Database

Direct access to the SCP is not an unbundled network element and is not technically feasible. Access to the SCP via the STP is technically feasible. BellSouth's proposed rate is contained in Mr. Scheye's testimony.

**Issues common to AT&T, MCI, and BellSouth:**

Issue No. 12: Should AT&T and MCI be allowed to combine BellSouth's unbundled network elements in any manner they choose, including recreating existing BellSouth services?

Position: No. AT&T and MCI should be allowed to combine BellSouth provided elements with their own capabilities to create a unique service. They should not be allowed to rebundle these elements to recreate a retail service that is already available to AT&T/MCI via resale.

Issue No. 1: What services provided by BellSouth, if any, should be excluded from resale?

Position: Obsoleted/grandfathered services, Contract Service Arrangements, promotions, Link Up, Lifeline, 911/E911, state specific discount plans or services, and N11 services should be excluded from resale.

Issue No. 7: What are the appropriate wholesale rates for BellSouth to charge when AT&T or MCI purchases BellSouth's retail services for resale?

Position: The wholesale discount rate for BellSouth to charge when AT&T/MCI purchases BellSouth's retail services for resale is 19.0% for residential services and 12.2% for business services.

Issue No. 2: What terms and conditions, including use and user restrictions, if any, should be applied to resale of BellSouth's services?

Position: Any use or user restrictions or terms and conditions found in the relevant tariff of the service being resold should apply.

Issue No. 5: Should BellSouth be required to provide notice to its wholesale customers of changes to BellSouth's services? If so, in what manner and in what time frame?

Position: Yes, in the same manner and timeframe that BellSouth provides these services to others, including end users.

Issue No. 14: What are the appropriate standards, if any, for performance metrics, service restoration, and quality assurance related to services provided by BellSouth for resale and for network elements provided to AT&T or MCI by BellSouth?

Position: BellSouth will provide the same quality for services provided to AT&T and MCI that BellSouth provides to its own customers for comparable services.

Issue No. 3: a) When AT&T or MCI resells BellSouth's services, is it technically feasible or otherwise appropriate for BellSouth to brand operator services and directory services calls that are initiated from those resold services?

b) When BellSouth's employees or agents interact with AT&T's or MCI's customers with respect to a service provided by BellSouth on behalf of AT&T or MCI, what type of branding requirements are technically feasible or otherwise appropriate?

Position: a) No. Selective Routing is not technically feasible.

b) BellSouth service technicians will advise customers that they are providing service on behalf of the specific ALEC. They will provide generic access cards with the appropriate provider's name.

Issue No. 4: When AT&T or MCI resells BellSouth's local exchange service or purchases unbundled local switching, is it technically feasible or otherwise appropriate to route 0+ and 0- calls to an operator other than BellSouth's, to route 411 and 555-1212 directory assistance calls to an operator other than BellSouth's, or to route 611 repair calls to a repair center other than BellSouth's?

Position: No, selective routing to multiple provider platforms using the same dialed digits is not technically feasible. BellSouth can route calls to an ALEC's requested service if the ALEC provides the appropriate unique dialing arrangements.

Issue No. 8: What are the appropriate trunking arrangements between AT&T or MCI and BellSouth for local interconnection?

Position: Each interconnecting party should have the right to determine the most efficient trunking arrangements for its network.

Issue No. 11: Do the provisions of Section 251 and 252 apply to access to unused transmission media (e.g., dark fiber, copper coaxial cable, twisted pair)? If so, what are the appropriate rates, terms, and conditions?

Position: No. Unused transmission media is neither an unbundled network element nor a retail telecommunications service to be resold. Therefore, its provisioning is not required under the Act.

Issue No. 13: Is it appropriate for BellSouth to provide copies of engineering records that include customer specific information with regard to BellSouth poles, ducts, and conduits? How much capacity is appropriate, if any, for BellSouth to reserve with regard to its poles, ducts, and conduits?

Position: No. BellSouth will provide structure occupancy information to ALECs and will allow designated ALEC personnel to examine engineering records pertaining to such requests. It is reasonable for BellSouth to reserve five years of capacity in a given facility in advance.

Issue No. 9: What should be the compensation mechanism for the exchange of local traffic between AT&T or MCI and BellSouth?

Position: Rates for local interconnection should be based on intrastate switched access charges, minus the Residual Interconnection Charge and the Carrier Common Line Charge.

Issue No. 15: Do the provisions of Section 251 and 252 apply to the price of exchange access? If so, what is the appropriate price for exchange access?

Position: No.

Issue No. 6: How should BellSouth treat a PIC change request received from an IXC other than AT&T or MCI for an AT&T or MCI local customer?

Position: BellSouth plans to handle all PIC requests under the same guidelines and framework currently used to handle PIC requests for IXCs.

Issue No. 16: Should BellSouth be required to provide real-time and interactive access via electronic interfaces as requested by AT&T and MCI to perform the following:

- Pre-Service Ordering
- Service Trouble Reporting
- Service Order Processing and Provisioning
- Customer Usage Data Transfer
- Local Account Maintenance

If the process requires the development of additional capabilities, in what time frame should they be deployed? What are the costs involved and how should these costs be recovered?

Position: BellSouth has made available, or has under development, appropriate interfaces for each function. Ordering interfaces should be consistent with industry standards. Interfaces or enhancements not already developed will be available by April, 1997, if not sooner. BellSouth should recover the costs of these interfaces, however, costs are not finalized.

Issue No. 17: a) Should BellSouth be required to use the CMDS process for local and intraLATA calls in the same manner as used today for interLATA calls?

b) What are the appropriate rates, terms, and conditions, if any, for rating information services traffic between AT&T and MCI and BellSouth?

Position: a) No, CMDS does not perform this type of function and no uniform system of rating of calls for LECs, independent companies and other providers exists for all nine BellSouth states.

b) None. This issue is not appropriate for an arbitration proceeding. In the alternative, ALECs should negotiate their own contracts with information service providers.

Issue No. 19: What billing system and what format should be used to render bills to AT&T or MCI for services and elements purchased from BellSouth?

Position: BellSouth will employ those billing systems that can produce accurate and timely bills. To accomplish this, BellSouth will use both its Customer Record Information System and its Carrier Access Billing Systems.

Issue No. 20: Should BellSouth be required to provide Process and Data Quality Certification for carrier billing, data transfer, and account maintenance?

Position: BellSouth will provide the same quality for services provided to ALECs that it provides to its own customers and to other carriers.

Issue No. 22: What are the appropriate general contractual terms and conditions that should govern the arbitration agreement (e.g. resolution of disputes, performance requirements, and treatment of confidential information)?

Position: This issue is not subject to arbitration under Section 251 of the Act.



Issue No. 23: Should BellSouth be required to allow AT&T and MCI to have an appearance (e.g. logo or name) on the cover of the white and yellow page directories?

Position: No. The issue of customized directory covers is not subject to arbitration under Section 251 of the Act. Moreover, the appropriate contracting party is BellSouth Advertising and Publishing Company, not BellSouth Telecommunications, Inc.

Issue specific to AT&T and BellSouth:

Issue No. 21: Should BellSouth be required to provide interim number portability solutions besides remote call forwarding? If so, what are costs involved and how should they be recovered?

Position: BellSouth will also provide DID capability at rates that have been negotiated with other parties and filed with this Commission.

Issues specific to MCI and BellSouth:

Issue No. 24: What are the appropriate arrangements to provide MCI nondiscriminatory access to white and yellow page directory listings?

Position: BellSouth believes this issue is resolved via contract between BAPCO and MCI.

Issue No. 25: What should be the cost recovery mechanism for remote call forwarding (RCF) used to provide interim local number portability in light of the FCC's recent order?

Position: The rates for RCF are established in the MCI BellSouth Partial Agreement. Issues related to the FCC's order are not subject to arbitration under the Act.

Issue No. 26: What intrastate access charges, if any, should be collected on a transitional basis from carriers who purchase BellSouth's unbundled local switching element? How long should any transitional period last?

Position: This issue arises from the FCC's Order in Docket 96-98 and should not be addressed in an arbitration proceeding between two parties.

Issue No. 27: What terms and conditions should apply to the provision of local interconnection to MCI?

Position: The appropriate terms and conditions for local interconnection are those contained in the BellSouth/MCI Partial Agreement, Exhibit II of MCI's Petition for Arbitration, and not subject to arbitration.

Issue No. 28: What are the appropriate rates, terms, and conditions for collocation (both physical and virtual)?

Position: The appropriate rates, terms, and conditions for physical collocation are contained in BellSouth's Handbook for Physical Collocation. The rates, terms, and conditions for virtual collocation are contained in BellSouth's Access Services tariffs.

Issue No. 29: What are the appropriate rates, terms, and conditions for access to code assignments and other numbering resources?

Position: NXX assignments should be made on a nondiscriminatory basis, as is currently done.

Issue No. 30: What are the appropriate rates, terms, and conditions related to the implementation of dialing parity for local traffic?

Position: This is not an appropriate issue for arbitration under Section 251 of the Act. Moreover, it is more appropriate to a generic proceeding.

#### E. STIPULATIONS

There are no stipulations of which BellSouth is aware.

F. PENDING MOTIONS

BellSouth Telecommunications, Inc.'s Motion to Compel Answers to Interrogatories by AT&T Communications of the Southern States, Inc. filed on August 30, 1996 and Motion to Compel Answers to BellSouth's First Set of Interrogatories filed on September 10, 1996.

G. OTHER REQUIREMENTS

BellSouth knows of no requirements set forth in any prehearing order with which it cannot comply.

H. PROPOSED POST DECISION PROCEDURE

Pursuant to Order No. PSC-96-1107-PCO-TP issued on August 29, 1996, the following constitutes BellSouth's proposal for post decision procedure. BellSouth proposes that 60 days from the date the order is issued is the appropriate length of time for the parties to submit arbitrated agreements incorporating the Commission's decision. This proposed timeframe is consistent with BellSouth's experience in negotiations. BellSouth can find no authority under the Act that allows parties to submit individual arbitration agreements from which the Commission may choose in the event the parties cannot reach agreement. BellSouth believes that such a procedure would result in a nonbinding contract because there would be no meeting of the

minds between the parties involved. Because of this objection, BellSouth proposes, as an alternative, that a neutral independent third party be appointed by the Commission to assist the parties in reaching a written agreement between the individual entities and BellSouth.

Respectfully submitted this 20th day of September, 1996.

BELLSOUTH TELECOMMUNICATIONS, INC.

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