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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of :DOCKET NO. 960833-TP
Petitions by AT&T Communications of :DOCKET NO. 960846-TP
the Southern States, Inc., MCI :DOCKET NO. 960916-TP
Telecommunications Corporation, MCI:
Metro Access Transmission Services, :
Inc., and American Communications :
Services of Jacksonville, Inc., for :
arbitration of certain terms and :
conditions of a proposed agreement :
with BellSouth Telecommunications, :
Inc., concerning interconnection :
and resale under the :
Telecommunications Act of 1996. :
:

THIRD DAY - AFTERNOON SESSION

VOLUME 17

PAGE 2440 through 2606

PROCEEDINGS: HEARING
BEFORE: CHAIRMAN SUSAN F. CLARK
COMMISSIONER J. TERRY DEASON
COMMISSIONER JULIA L. JOHNSON
COMMISSIONER DIANE K. KIESLING
COMMISSIONER JOE GARCIA

DATE: Friday, October 11, 1996

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: NANCY S. METZKE, RPR, CCR

APPEARANCES:
(As heretofore noted.)

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1 P R O C E E D I N G S

2
3 (Hearing reconvened at 3:20 p.m.)

4 (Transcript follows in sequence from Volume 16)

5 CHAIRMAN CLARK: Call the hearing back to order.

6 Mr. Lemmer, continue with your cross.

7 MR. LEMMER: Thank you, Madam Chairman.

8 WALTER S. REID

9 having been called a witness on behalf of BellSouth, and

10 being duly sworn, continues his testimony as follows:

11 CONTINUED CROSS EXAMINATION

12 BY MR. LEMMER:

13 Q Mr. Reid, one final question about the orders we
14 have been looking at. Were you aware that the Georgia
15 order that we were reviewing had been appealed by
16 BellSouth?

17 A Yes, I was aware of that.

18 Q And are you aware that that appeal has been
19 denied?20 A I read a news clipping to that effect. I don't
21 know from a legal standpoint what the status of it is
22 now.23 Q Let's talk just a little bit more, as I said,
24 about WSR-1 which we have been discussing. In looking
25 at the chart that I put up before you, the third

1 column that is labeled BellSouth Florida Resale Study,
2 that column represents the results of your WSR-1 if
3 you combine both residential and business; isn't that
4 correct?

5 A I will accept that subject to check. I have not
6 made a calculation that would allow me to verify that.

7 Q Well, let's look at product management. Product
8 management as shown on that chart has 0% avoided
9 costs, and that is what your WSR-1 shows; isn't that
10 correct?

11 A That is correct.

12 Q And the determination made that there are no
13 avoided costs is because BellSouth has determined that
14 they will continue to incur those costs, isn't that
15 correct?

16 A That is correct. We looked at the category of
17 product management costs, and it's our belief that we
18 would continue to incur product management cost in the
19 developing of products, in the filing of tariffs
20 before this Commission, for example; those are some of
21 the items that are in project management. We will
22 continue to incur those costs whether we are a part
23 wholesaler, part retailer; those costs would
24 continue.

25 Q Today BellSouth in the State of Florida is

1 essentially a retail operation; isn't that correct?

2 A For the most part. I would say that access is
3 not retail, but for the most part the other portions
4 of the business are pretty much retail.

5 Q And the cost that you have charged to product
6 management in 1995, which was your base year for
7 analysis, were costs incurred in a retail environment;
8 isn't that correct?

9 A Yes, as I said, for the most part. That would
10 have been a portion of product management. It would
11 have been probably a relatively small part that would
12 have dealt with access related services.

13 Q Now let's look at account 6613, which is
14 advertising, which on that chart, again, is indicated
15 as no amount avoided under your WSR-1 one approach.
16 And again, zero was avoided because BellSouth has
17 determined they will continue to incur those costs;
18 isn't that correct?

19 A That is correct. On product advertising expenses
20 we did not view that was a volume sensitive activity.
21 We would continue to advertise our products at the
22 same level even with resellers coming in and actually
23 intervening between us and the customer on some of the
24 activity.

25 Q So having determined that there were no avoided

1 advertising costs, the resellers will be paying a part
2 of BellSouth's advertising expenses; isn't that
3 correct?

4 A No, I would not agree with that statement. I
5 would agree that in our total revenue requirements
6 that product advertising is included; however, the
7 revenues subject to resale are basically those
8 revenues such as the 1-FR, which in Florida and the
9 other states are calculated based on residual
10 ratemaking. And there are heavy contributions coming
11 from other sources of revenue other than the revenue
12 subject to resale, for example, access that we
13 mentioned; and in addition to that, for example,
14 directory advertising.

15 Those revenues are providing heavy contribution
16 that has through the ratemaking process kept the
17 regimen subject to resale below the level they would
18 otherwise be, so I would not agree with you that
19 automatically means that you'd be paying for product
20 advertising cost. I would also point out in my WSR-3
21 the FCC compliance study, we did treat the majority of
22 product advertising as avoidable under that study.

23 Q Now let's look at the bottom part of that chart
24 which talks about indirectly avoided costs. Under
25 your WSR-1 scenario in the third column, virtually

1 100% of those costs, with minor exceptions, are
2 considered to be not avoided; isn't that correct?

3 A That is correct. We viewed the indirect cost as
4 not being volume sensitive. We would -- the level of
5 our business, the number of our access lines, our
6 investment and so forth would be basically the same,
7 whether we are reselling part of our services or not.
8 The reseller is basically just stepping in and
9 performing some of the customer service related
10 functions.

11 Q So in other words, what you're saying is the
12 indirect costs are essentially fixed costs; isn't that
13 a fair statement?

14 A They are essentially volume insensitive. I think
15 in the -- And I'm talking about in regards to
16 resale. The size of our business, as I mentioned,
17 would be basically the same. The complexity of our
18 business, however, will increase quite a bit because
19 in the past, for example, we could anticipate and
20 forecast demand of growth in the community, and we
21 would make the assumption that that growth would be
22 something we would provision and something we would
23 prepare for; but in the future we are going to have a
24 much more complex situation because other parties will
25 be in the marketplace and providing some of those

1 activities, so it will be a more complex situation.

2 Q Would you agree with me that today BellSouth has
3 two types of costs, it has costs relating to its
4 network and it has retail costs?

5 A I don't know that I would just isolate it to
6 those two categories.

7 Q But is it a fair general statement?

8 A No, not that -- I wouldn't put it in those
9 categories.

10 Q Okay. Well, let me ask the question in another
11 way then. Today BellSouth is incurring indirect
12 costs, and BellSouth performs retail activities, isn't
13 that correct?

14 A Yes, Bell -- Would you restate that again?

15 Q BellSouth today is performing retail activities;
16 isn't that correct?

17 A Yes.

18 Q Today BellSouth is incurring indirect costs;
19 isn't that correct?

20 A Yes.

21 Q And are you telling this Commission there is no
22 relationship between the indirect costs and the retail
23 activities?

24 A No, what I'm saying is the size of the business
25 is -- The indirect costs are more related to the

1 size of the overall business, like the number of
2 access lines or the amount of investment and so forth,
3 the volume related to resale. There is an -- It's
4 not sensitive to the volume related to resale.

5 For example, included in the indirect costs would
6 be cost of filling out our tax returns in our tax
7 department. We've got to do that activity no matter
8 whether we are selling part of our services to
9 resellers or not. I mean those type of activities
10 which are in the indirects are not sensitive to the
11 volume. I mean filling out your tax return is not
12 sensitive to the volume of how much you are selling to
13 a reseller or how much you are selling to the end
14 user.

15 Q But there are certainly costs that are labeled
16 indirect costs that are related to retail; isn't that
17 correct?

18 A There are -- I do not believe that there are
19 costs that are volume sensitive in indirects that
20 would be avoided associated with reselling.

21 Q So your standard is solely what will be actually
22 avoided by BellSouth in the future?

23 A The standard is the plain wording of the Act,
24 will be avoided.

25 Q And it's that plain interpretation that other

1 Public Service Commissions have rejected, isn't it?

2 A Would you restate that? I couldn't hear the end
3 of your sentence.

4 Q I said it's the plain meaning of the statute as
5 you are interpreting it that the Public Service
6 Commissions in Georgia and Kentucky have rejected;
7 isn't that correct?

8 A I don't know if that is what they have rejected.
9 The order speaks for itself in that regard.

10 Q Okay. Let's turn our attention over to the last
11 column which represents WSR-3, your exhibit WSR-3. As
12 I understand your testimony, that is purported to be
13 an FCC compliant study; is that correct?

14 A It is an FCC compliant study.

15 Q And in that -- if you look at that column, there
16 are certain costs that BellSouth has labeled as not
17 avoided, in other words, the zeros; isn't that
18 correct? If you look at the fourth column on that
19 chart, there are certain cost categories where
20 BellSouth has labeled as zero, in other words, no
21 costs are avoided?

22 A Yes, and for the most part those same accounts
23 are accounts the FCC has treated as not avoidable.
24 For example, testing and plant operations
25 administration, depreciation, those are expense

1 accounts that the FCC's order treats as presumptively
2 not avoidable.

3 Q Well, let's direct your attention to account
4 6611, which is the top one, product management. Your
5 FCC compliant study labels approximately 20% as being
6 avoided. Isn't it correct that the FCC order presumes
7 100% is avoided?

8 A It's correct that the FCC's order presumes 100%
9 is avoidable but allows the local companies, such as
10 BellSouth, to explain based on two criteria, one is
11 that the specific cost in the account will not be
12 avoided or that the costs are not included in the
13 revenues subject to resale. So we really have two
14 criteria in which we can rebut that presumption, and
15 our study rebuts the presumption because there are
16 specific costs, such as coming before this Commission
17 to file tariffs, that are included in those accounts
18 that are not going to be avoided. They will not be
19 avoided.

20 Q And that conclusion underlies the result reached
21 by BellSouth that the accounts that the FCC says is
22 100% avoided, which would include call completion,
23 number services and customer services, are in fact not
24 avoided; is that correct?

25 A The FCC presumes that those accounts are

1 avoidable; but again, it allows us to rebut that
2 presumption, and we have rebutted that presumption.

3 Q Now isn't it correct that one of the bases for
4 your rebuttal is the fact that the costs will simply
5 continue to be incurred?

6 A Well, in regards to -- No, not entirely. In
7 regards to call completion and number services, I
8 think I have discussed that topic before, and that
9 particular area we meet both criteria of the FCC's
10 order because we have got a revenue stream for billing
11 end users for operator services that cover the cost of
12 operator services and, therefore, the other revenue
13 subject to resale would not include those costs in
14 them, they don't need to. The revenue stream from
15 operator services is used to cover those costs, so not
16 only are they not avoided because of resale, but they
17 also are not included in the other rates.

18 Q Looking at the other accounts up there, isn't it
19 a fact, or isn't it correct that one of the
20 justifications for stating that you've rebutted the
21 FCC's presumption is that the costs, in fact, will
22 continue to be incurred?

23 A Yes, one of the two rebuttable areas that I
24 mentioned is that the specific cost will continue to
25 be incurred and will not be avoided.

1 Q And isn't it a fact that the FCC rejects that as
2 a basis for rebutting the presumption?

3 A No, that's the wording in the FCC's order that
4 allows you to rebut it. If the specific costs that
5 are being incurred will not be avoided, that's the
6 rebuttal criteria that we would use to this
7 Commission, and that is the rebuttal criteria I have
8 used in developing the expense amounts that result in
9 these percentages.

10 Q And it's your testimony that these costs that you
11 will continue to incur relate only to wholesale and do
12 not relate in any way to retail; is that correct?

13 A Yes, that's correct. These are costs that will
14 be related to a 100% wholesale company because that is
15 the FCC's criteria and that is the way we have done
16 our FCC compliant study. Now the FCC does allow you
17 to include increases in costs if you've got increases
18 in costs related to wholesale activities as well.

19 Q But isn't it correct that BellSouth's
20 interpretation of the wholesale company definition
21 used by the FCC is that if costs are continued to be
22 incurred, that they will be recognized as wholesale
23 costs; isn't that correct?

24 A The criteria -- I think you've left out part of
25 our criteria. We've used the FCC's criteria. If we

1 were a 100% wholesale entity, what costs would
2 continue to be incurred? And given that criteria,
3 that's how we interpret the FCC's order, and that's
4 what's the basis of the study.

5 Q So then you're in part rebutting the FCC's
6 presumption based on an actually avoided cost
7 standard, aren't you?

8 A No, I disagree. I'm following exactly what the
9 FCC said. It said if you hypothetically were a 100%
10 wholesale company, then the costs that would
11 reasonably be avoided or reasonably be avoidable,
12 would be the cost that you would treat in the avoided
13 cost study as avoided. So many avoided, it's kind of
14 hard to say that.

15 Q Now isn't it correct that another reason for the
16 basis that BellSouth believes they have avoided the --
17 excuse me, have rebutted the presumption is that
18 somebody's costs relates to public services?

19 A Yes, that is correct.

20 Q And is it correct that those public services
21 relate to pay phones?

22 A That is correct.

23 Q And finally, isn't it correct that some of the
24 costs outside of the call completion and customer --
25 excuse me, call completion and number services that

1 BellSouth finds, and for example product management,
2 that certain of those costs relate to operator
3 services and, therefore, they will not be avoided?

4 A I would agree with that.

5 Q So if in fact this Commission finds that
6 operator -- that call completion and number services
7 are in fact avoided costs, that that portion of product
8 management that relates to operator services is also
9 avoided; isn't that correct?

10 A There is a linkage in those costs, yes.

11 Q Now let's look at the indirect cost portion of
12 this chart, and there is a consistent percentage
13 running throughout that level of costs, and as I
14 understand it, that percentage is based upon a
15 denominator that includes total incurred expenses; is
16 that correct?

17 A That is correct. That is the formula that the
18 FCC included in its order, and that's the one that we
19 used in our calculations.

20 Q Do you have the FCC order in front of you?

21 A Yes, I do.

22 Q Let me direct your attention to paragraph 918.
23 Do you have that paragraph?

24 A I am there.

25 Q And isn't it correct that that paragraph states

1 that indirect costs, such as what we are looking at on
2 the bottom of the chart, are presumed to be avoided in
3 proportion to the avoided direct expense as
4 identified? So doesn't the FCC paragraph 918 require
5 that the denominator of the apportionment formula used
6 for indirect costs should be direct costs and not
7 total costs?

8 A No, it does not. That particular reference that
9 you are giving me there gives you the definition of
10 the numerator of the equation. It just says in
11 proportion to avoided direct expenses, which is really
12 defining the numerator of the equation. If you look
13 over to paragraph 929, the FCC is saying there,
14 regarding MCI's formula and in the default
15 calculations, it says, "We have, therefore,
16 substituted a more straightforward approach in which
17 we apply to each indirect expense category the ratio
18 of avoided direct expense to total expenses." It is
19 precisely what I have used in our FCC compliant study,
20 that particular ratio.

21 Q Now is your FCC compliant study a default
22 compliant study?

23 A No, it is not. This is the only reference in the
24 FCC's order that they give for the formula to use on
25 indirects.

1 Q Now isn't it correct that what you're relying on
2 under the FCC order is stated in regarding to the
3 preparation of a default wholesale discount?

4 A That is the place where the FCC identifies the
5 formula. It mentions it nowhere else in either its
6 order or its rule. In its rule it just says a portion
7 of the indirects, so this is the only guidance we have
8 to go on about what the FCC intended, and we have used
9 that guidance. I might mention so has MCI.

10 Q And you believe that that is reasonable?

11 A Yes, I do.

12 Q Were you here during Ms. Caldwell's testimony?

13 A I was here during most of Ms. Caldwell's
14 testimony.

15 Q And do you remember her testimony regarding the
16 fact that when we are talking about unbundled network
17 elements, that common costs, the last layer of costs
18 that need to be allocated, are allocated on direct
19 costs; do you recall that testimony?

20 A Yes, I recall that part of her testimony, but
21 you're mixing apples and oranges here. Ms. Caldwell is
22 building up a cost structure from the bottom up, and we
23 have fixed cost, common cost. As I previously mentioned,
24 for example, the income tax return is an example. Those
25 costs have to be recovered, so there has to be a way of

1 allocating those costs to products so that we can recover
2 that cost of filling out the tax return. However, if you
3 are looking at an avoided cost study, which is what I'm
4 doing, you are starting with rates that have already built
5 into them the recovery of all of your costs, including the
6 common costs, and you are trying to decide, okay, what
7 portion of those are you going to avoid? Well, you are not
8 going to avoid the cost of filling out the tax return, so
9 to arbitrarily allocate a portion of that as being avoided
10 is incorrect. So there are two separate type of objectives
11 that we are working from. I'm working on an avoided cost
12 study trying to identify what will be avoided. In
13 Ms. Caldwell's situation she is trying to recover the cost
14 of the company in its rates.

15 Q Now would you agree that if your denominator in
16 this apportionment fraction is direct costs as opposed
17 to total costs that the amount avoided will be
18 increased?

19 A Yes, I would agree that that results in an
20 increase in the amount, as AT&T used in their
21 formula. However, that is not what the FCC mentioned
22 in its formula, nor what other parties in this
23 proceeding have used either.

24 Q So conversely, if the total denominator is total
25 expenses, then you have a decrease in the percentage;

1 isn't that correct?

2 A That is correct, appropriately so.

3 Q So when Ms. Caldwell is building up costs to
4 charge to entrants, she uses the denominator that
5 results in a greater cost, and when you are
6 identifying the discount, which you want to minimize,
7 you use the denominator that results in a smaller
8 cost; isn't that correct?

9 A Mathematically what you say is correct, but I
10 think I gave you the reasons why that is appropriate.
11 You are building up a cost. In Ms. Caldwell's
12 situation, to recover your cost, you've got to include
13 those, all of those costs in the calculation or else
14 you won't recover them. I'm starting from a set of
15 retail rates that already include recovery of those
16 costs, and I'm identifying what portion will be
17 avoided based on resale transactions. That is a
18 totally different calculation and totally different
19 objective, and they are both appropriately done.

20 Q Now in performing these analyses, be it WSR-1 or
21 WSR-3, did you give any consideration to potential cost
22 incurrence patterns in the future by BellSouth?

23 A In what context do you mean cost incurrences in
24 the future?

25 Q Did you consider whether there may be cost

1 efficiencies that BellSouth will experience in the
2 future?

3 A No, I did not. I used 1995 historical data as a,
4 in effect like a test year, like we would in a
5 proceeding in a test year, to identify the
6 relationships. To the extent we achieved
7 efficiencies, it would actually drive the discount
8 down because the numerator of the equation is the
9 cost. If you gain efficiencies in the cost, then the
10 numerator in the equation goes down but the
11 denominator of the revenues theoretically would be
12 there, so it would drive the discount down.

13 Q But on your --

14 A It's not my intent to pass on our efficiency
15 gains through the resale discount.

16 Q So for example, in calculating total cost for
17 indirect cost allocation purposes, you didn't consider
18 whether those total costs that will be incurred in the
19 future may go down because of efficiencies; is that
20 correct?

21 A If they do go down in the future related to
22 efficiencies, those are efficiency gains of the
23 company; they are not costs that will be avoided due
24 to reselling it to a, the service to a reseller. What
25 we are trying to identify in an avoided cost study are

1 those costs that will be avoided because of the resale
2 transaction.

3 MR. LEMMER: I have no further questions. Thank
4 you.

5 MR. HORTON: No questions.

6 CHAIRMAN CLARK: Staff.

7 CROSS EXAMINATION

8 BY MS. CANZANO:

9 Q Good afternoon, Mr. Reid.

10 A Good afternoon.

11 Q Based on your interpretation of avoided costs in
12 the Act, do you believe that the USOA accounts
13 identified in the FCC order are the appropriate
14 accounts to be used in the determination of the
15 avoided cost as defined by the Act?

16 A No, I do not. I think our position is that the
17 indirect costs, which are defined in the FCC's order,
18 primarily the 67 hundred accounts and the general
19 support expense accounts, do not represent costs that
20 will be avoided. In addition to that, we have taken a
21 detailed activity based approach at looking at each
22 one of these accounts to determine what portions of
23 them will be avoided.

24 Q Could you specifically identify the accounts you
25 believe are inappropriate and for each one provide an

1 explanation of why you think it is inappropriate?

2 A Would you like me to do that right now? Is that
3 what you're saying?

4 Q Yes, please.

5 (WITNESS REVIEWED DOCUMENTS)

6 A Probably the easiest way to do that, and I'm
7 going to attempt this through this mechanism, is to
8 refer back to the second sheet of the handout I had in
9 my summary, which is my exhibit WSR-2, page 2. I
10 don't have account numbers on this particular piece of
11 paper, but I think I can talk from it and probably
12 accomplish what you're trying to do.

13 Q Okay.

14 A All right. And if you happen to have the, my
15 WS -- my exhibit WSR-3 handy, that would also probably
16 facilitate the discussion.

17 Q And we have that.

18 A Okay. The diagram on the handout for WSR-2, dash
19 2, page 2, shows under our basic BellSouth resale
20 study the types of costs that we treated subject to
21 impact from resale, and that is on the right-hand
22 side. And going down that area, marketing sales is
23 account 6612; customer services is account 6623. Bill
24 inserts are primarily in account 6623 also, and also
25 postage and billing are in account 6623, and

1 uncollectible revenues are in account 5301. Now those
2 are the accounts that we included in the BellSouth
3 resale study under exhibit WSR-1.

4 Looking at the left-hand side of that, the
5 depreciation and maintenance and network operation and
6 provisioning, those are the bulk of our accounts, and
7 there are numerous accounts in there, but they are
8 basically the network accounts and the depreciation
9 and provisioning accounts. The next group are really
10 the ones that are the more contentious accounts.
11 Product management is account 6611, and advertising is
12 6613; and in that same area, call completion is 6621
13 and number service is 6622.

14 Now we did not include any of those expenses in
15 our basic study because we did not view those as
16 volume sensitive costs and/or we did not, as I think
17 I've explained my rationale for call completion and
18 number services pretty well up to this point.

19 Q Yes, you have.

20 A In the FCC compliant study I will point out on
21 WSR-3 that in product management we did a detailed
22 activity based study and determined that of the 29 and
23 a half million about 5.9 million of product management
24 costs would be avoided or will be avoided.

25 In the product advertising we got about -- as

1 AT&T's chart here shows we determined that about 95.6 of
2 the majority of that account is avoidable under the FCC's
3 criteria. The only part that is not avoidable was related
4 to carrier services, or public services or operator
5 services.

6 Am I, is this the type of explanation you are
7 looking for, or --

8 Q Yes, it is.

9 A Okay. Going on to the next category on WSR-2,
10 page 2, the general support related costs, land and
11 buildings, furniture and office equipment, computer
12 costs, on my WSR-3 you will see those costs listed
13 there, and they are allocated to avoided categories
14 based on the ratio of total direct avoided expenses
15 over total expenses in the FCC compliant study. We
16 did not view those costs as being volume sensitive
17 either. They are more related to the size of our
18 network activities and the size of our business. So
19 we did not view those as volume sensitive, and that's
20 the reason in our basic resale study we did not treat
21 those as avoided.

22 That's the same basic explanation on the overhead
23 costs, general administrative, which is the next item
24 on WSR-2, page 2, and those are identified on WSR-3 in
25 the accounts there where it says overhead accounts,

1 accounts 6711 through 6728, and account 5301,
2 uncollectibles. The FCC in its order treated
3 uncollectibles different than the way we had treated
4 them. The FCC treated them as an indirect expense,
5 and so that's the way I did it in the FCC compliant
6 study.

7 On taxes, that's basically taxes and associated
8 return. We did not view investment as an avoided
9 item; therefore, if you change the level of expenses
10 and you change the level of revenues through the
11 discount, you really don't have a change in taxable
12 income, so taxes would not be affected. And if
13 investment doesn't change, you really don't have a
14 change in return type costs. So that's in summary
15 what we did.

16 Q Thank you.

17 In your testimony, and specifically your rebuttal
18 testimony in the MCI docket, the 960846, on page 7 you
19 identify \$45,776,000 of intrastate published directory
20 listing expenses as being primarily related to BAPCO.
21 Do you recall that?

22 A Would you mind giving me that reference again?

23 Q It's in your rebuttal testimony to MCI.

24 A Right.

25 Q Line -- on page 7, line 16.

1 A Yes, I see the number there, 45,776,000?

2 Q Yes.

3 A Yes, I see that.

4 Q Okay. Is there a portion of that amount that is
5 not related to BAPCO?

6 A That's somewhat of a complicated question. The
7 answer I'll give is no. The adjustment that we have
8 on the 43-03 report and then flows through to the
9 43-04 report in our separations process has an amount
10 of expense related to BAPCO's expenses that they are
11 reporting to us that we are going to assign to
12 interstate that's about \$47,000,000.

13 Q Could you explain what that document you referred
14 to is, just for the record?

15 A For the record, the reports I was referring to
16 are ARMIS reports to the FCC, and those particular
17 reports tell the reader how much expense we had
18 subject to separations to interstate and how much
19 interstate assigned expense we have.

20 The reason I was saying this is rather
21 complicated is because the way you calculate
22 intrastate expenses for ratemaking purposes in
23 Florida, or any other of our states, is you take the
24 company's total book expenses, total book regulated
25 expenses and you subtract from that the assigned

1 interstate expenses to get intrastate is the portion
2 that is not interstate. That way the total expenses
3 come back.

4 In this adjustment that we have that was referred
5 to by MCI's attorney on the 43-03 report, that
6 adjustment creates an assignment of interstate expense
7 for call completion and number services, but that
8 adjustment is not -- the amount of the expense is not
9 included in the total regulated expense. So in this
10 particular area, that actually creates a flow of
11 benefit to the intrastate jurisdiction because the
12 interstate assigned expense is actually, would remove
13 any positive expense in that category for total
14 expense, and actually in some cases will produce a
15 negative expense for intrastate for that category of
16 expense.

17 I know that sounds rather complicated, but the
18 bottom line is that is a benefit that flows to the
19 intrastate jurisdiction because of that assignment
20 approach. This issue, by the way, came up in the last
21 big proceeding that BellSouth had before this
22 Commission; I know I filed a lot of testimony in it;
23 that preceded the 1994 stipulation. One of the
24 consultants for Consumer Advocate brought up this
25 issue and wanted to ensure that that benefit was

1 flowing to intrastate, and we in our data responses
2 and I think in some testimony that I filed, we
3 communicated to them that, yes, that flow was
4 occurring.

5 Q Mr. Reid, and everybody else, staff has
6 distributed during the break a sheet that is called
7 Analysis of Directory Advertising Operations, Schedule
8 Z-7. Do you have a copy of that?

9 A Yes, I do.

10 Q And do you recognize this page?

11 A Yes, I've seen it many times. It's been a while
12 since I looked at it.

13 Q And what is it?

14 A It's a report to the Commission in our annual
15 report that identifies the amounts of revenues and
16 expenses associated with the directory advertising
17 operation.

18 Q And on line 14, in the column labeled Per Books
19 Amount, do you see that number?

20 A I see that number.

21 Q What does that, you know, approximately
22 \$3,000,000 represent?

23 A That \$3,000,000 represents primarily foreign
24 directory type expenses. For example, if we have
25 customers that if you're in Miami and you want a

1 Jacksonville, Florida telephone book, we would in
2 effect be purchasing the directories -- the excess
3 directory runs of BAPCO, and we would be selling that
4 book to the Miami customer that wanted a Jacksonville
5 directory. The expense of that is included in that
6 \$3,000,000.

7 Q Is a portion of that amount included in that
8 \$45,000,000 that's in your rebuttal testimony?

9 A In a net basis it's in there, but what I -- the
10 reason I went through that elaborate previous
11 description is that because of the assignment of
12 amounts of the \$47,000,000 adjustment that we have
13 there to interstate, the interstate assigned expense
14 actually exceeds this 3,000,000, so intrastate ends up
15 with either zero or a negative number.

16 Q Mr. Reid, do you have a copy of your deposition
17 transcript that staff has prepared as WSR-6?

18 CHAIRMAN CLARK: Ms. Canzano, let me ask you a
19 question. Did you want that last item identified as
20 an exhibit?

21 MS. CANZANO: Yes, we'll go ahead and identify
22 it.

23 CHAIRMAN CLARK: So the Analysis of Directory
24 Advertising Operations, Schedule Z-7 will be marked as
25 Exhibit 83.

1 MS. CANZANO: Thank you.

2 (SO MARKED EXHIBIT 83)

3 A Yes, I have WSR-6.

4 Q And have you had a chance to review this
5 document?

6 A Yes, I read through it.

7 Q And do you have any corrections you would like to
8 make to it?

9 A No, I do not.

10 Q And is it true and correct to the best of your
11 knowledge?

12 A To the best of my knowledge.

13 MS. CANZANO: At this time staff would request
14 that WSR-6 be identified as an exhibit.

15 CHAIRMAN CLARK: It will be identified as Exhibit
16 84.

17 (SO MARKED EXHIBIT 84)

18 MS. CANZANO: Thank you.

19 BY MS. CANZANO:

20 Q Mr. Reid, did you also file some deposition
21 exhibits, 1 through 3, that are confidential?

22 A Yes, I did.

23 Q And are those true and correct to the best of
24 your knowledge?

25 A Yes, they are.

1 MS. CANZANO: Chairman Clark, staff also requests
2 that WSR-7 be identified as an exhibit.

3 CHAIRMAN CLARK: It will be identified as Exhibit
4 85.

5 MS. CANZANO: Thank you, and we'd just note that
6 it is a confidential document.

7 (SO MARKED EXHIBIT 85)

8 MS. CANZANO: Thank you. Staff has no further
9 questions.

10 CHAIRMAN CLARK: Redirect.

11 REDIRECT EXAMINATION

12 BY MR. LACKEY:

13 Q Mr. Reid, you'll recall that you were asked a
14 number of questions about the FCC order.

15 A Yes.

16 Q Your furnishing of an FCC compliant discount rate
17 does not indicate any -- BellSouth's acceptance of
18 that order, does it?

19 A No, it does not.

20 Q You recall that counsel for AT&T referred you to
21 paragraphs 918 and you referred him to paragraph 929
22 of that order?

23 A Yes.

24 Q If AT&T's position is correct, how many different
25 formulas would there have to be to calculate the ratio

1 of avoided direct expenses -- or I'm sorry, the amount
2 of indirect expenses assigned as avoided? There would
3 have to be one in 929 and a different in 918?

4 A Yes, that's correct, the FCC would have had to
5 have changed its formula between the two paragraphs.

6 Q Have you got exhibit 79 there in front of you?
7 It's their schedule of --

8 A Yes, I do.

9 Q And I take it you noticed that there was no
10 Tennessee order that they presented to you?

11 A Yes.

12 Q Do you happen to know where the 25% comes from
13 that is on that schedule under Tennessee?

14 A Yes, I believe that came from an interim position
15 or an interim order of the Tennessee Commission which
16 predates the current Tennessee Regulatory Authority.
17 I testified last week before the Tennessee Regulatory
18 Authority, which is the authority that came after the
19 Tennessee Public Service Commission. This 25% was
20 from an interim order that I don't believe is in
21 effect that predates current TRA, Tennessee Regulatory
22 Authority.

23 Q Could that be contained in a rule that had been
24 submitted to the attorney general in Tennessee?

25 A Yes.

1 Q Was that rule ever released?

2 A Not to my knowledge.

3 MR. LACKEY: That's all I have. Thank you, Madam
4 Chairman.

5 CHAIRMAN CLARK: Exhibits.

6 MR. LACKEY: I move 75 through 78, Madam
7 Chairman.

8 CHAIRMAN CLARK: Without objection, those will be
9 admitted in the record.

10 MR. TYE: Madam Chairman, AT&T moves exhibits 79
11 through 82.

12 CHAIRMAN CLARK: They will be admitted in the
13 record without objection.

14 MS. CANZANO: And staff moves 83 through 85.

15 CHAIRMAN CLARK: They will be admitted without
16 objection.

17 Thank you, Mr. Reid.

18 MS. WHITE: BellSouth calls Gloria Calhoun.
19
20
21
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25

1 Whereupon,

2 GLORIA CALHOUN

3 was called as a witness on behalf of BellSouth and, having
4 been duly sworn, testified as follows:

5 DIRECT EXAMINATION

6 BY MS. WHITE:

7 Q Would you please state your name and address for
8 the record?

9 A My name is Gloria Calhoun.

10 Q By whom are you employed?

11 A I'm employed by BellSouth Telecommunications,
12 Inc. at 765 West Peachtree Street, Northeast, in Atlanta,
13 Georgia.

14 Q Have you previously caused to be prefiled in the
15 Docket 960833, the AT&T docket, direct testimony
16 consisting of 51 pages and rebuttal testimony
17 consisting of 22 pages?

18 A Yes, I have.

19 Q Do you have any substantive changes to make to
20 that testimony at this time?

21 A Yes, I do. I have a sentence to insert that
22 reflects developments that have occurred since I filed
23 my testimony. The insertion occurs in my testimony at
24 page 30, line 13. The sentence to be inserted follows
25 the sentence ending with the word "process" and reads

1 as follows: "By December 31st, 1996, BellSouth will
2 have mechanized the order generation process on
3 BellSouth's side of the EDI interface for several
4 types of orders, including switch as is, new connects
5 for residence and single line business and
6 disconnects."

7 Q Did you cause to be filed five exhibits attached
8 to your direct testimony in the 960833 docket, the
9 AT&T docket?

10 A Yes, I did.

11 Q Do you have any -- And that's GC-1 through 5?

12 A Yes.

13 Q Do you have any changes to make to your exhibits?

14 A Yes, the sentence just added to my testimony also
15 necessitates a change to the drawing on exhibit GC-3.
16 The resale scenario in the lower half of that drawing
17 should also reflect the mechanized order generation
18 process that is shown in the upper half of the drawing
19 for access ordering, and I'll be happy to provide an
20 updated exhibit on Monday if that is acceptable.

21 MS. WHITE: Madam Chairman, I would like to have
22 the five exhibits attached to Ms. Calhoun's direct
23 testimony in 960833 marked for identification --

24 CHAIRMAN CLARK: Exhibits GC-1 through 5
25 will be marked as exhibit 86.

1 (SO MARKED EXHIBIT 86)

2 CHAIRMAN CLARK: Let me just ask a question, do
3 we really need that exhibit updated? She has provided
4 an explanation. I don't --

5 MS. WHITE: It's up to you.

6 CHAIRMAN CLARK: I don't think it's necessary.
7 That's a lot of work, both on your part and the
8 Commission's part, to get that done, so we'll note
9 that that GC-3 would have been different with the
10 updated information.

11 WITNESS CALHOUN: Thank you.

12 MS. WHITE: Thank you. And I would like to have
13 the direct and rebuttal testimony in connection with
14 the AT&T docket inserted into the record as if read.

15 CHAIRMAN CLARK: Okay. The prefiled direct
16 testimony of Ms. Calhoun in 960833 will be inserted in
17 the record as though read.

18 MS. WHITE: Okay.

19 COMMISSIONER KIESLING: May I ask a question?

20 CHAIRMAN CLARK: Yes.

21 COMMISSIONER KIESLING: On the drawing, should
22 there also be an arrow going over to it like there was
23 on the one above it?

24 WITNESS CALHOUN: Yes.

25 COMMISSIONER KIESLING: Okay, I just wanted to

1 make sure mine reflected all the necessary changes.

2 WITNESS CALHOUN: Thank you.

3 BY MS. WHITE:

4 Q In the 960846, which is the MCI docket, did you
5 file direct testimony consisting of ten pages?

6 A Yes, I did.

7 Q And did you file rebuttal testimony consisting of
8 29 pages?

9 A Yes.

10 Q Do you have any changes to that testimony?

11 A No.

12 Q Did you have one exhibit attached to your MCI
13 rebuttal testimony?

14 A Yes.

15 Q GC-1?

16 A Yes.

17 Q Do you have any exhibits to that -- any changes
18 to that exhibit?

19 A No.

20 MS. WHITE: I would like to have the direct and
21 rebuttal testimony in the MCI docket entered in the
22 record as if read.

23 CHAIRMAN CLARK: All right. The direct and
24 rebuttal testimony of Ms. Calhoun in 960846 will be
25 inserted in the record as though read.

1 MS. WHITE: Okay.

2 CHAIRMAN CLARK: And GC-1, the exhibit GC-1
3 attached to that rebuttal testimony will be marked as
4 exhibit 87.

5 MS. WHITE: 87 or 86, I'm sorry?

6 CHAIRMAN CLARK: 87.

7 (SO MARKED EXHIBIT 87)

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BELLSOUTH TELECOMMUNICATIONS, INC.
DIRECT TESTIMONY OF GLORIA CALHOUN
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 960833-TP
AUGUST 12, 1996

Q. Please state your name, address and position with BellSouth Telecommunications, Inc. ("BellSouth").

A. My name is Gloria Calhoun. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375. I am employed by BellSouth Telecommunications, Inc. as a Manager in the Strategic Management Unit. In that position I handle responsibilities associated with operations planning for local competition.

Q. Please summarize your background and experience.

A. I graduated *summa cum laude* with a Bachelor of Arts degree in Economics from the University of North Florida. In 1995, I completed a management program at the Georgia Tech Management Institute. I began my BellSouth career in 1981 when I joined the Southern Bell Business Marketing organization in Jacksonville, Florida. In that capacity I was responsible for coordinating the interdepartmental efforts needed to implement complex voice systems and associated exchange

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1 services. I transferred to the economic analysis group at company
2 headquarters in Atlanta in 1985, where I analyzed operations costs for
3 dedicated services. I subsequently was promoted to a position in
4 which I had pricing responsibility for dedicated services, as well as for
5 additional testing, maintenance and other special provisioning activities
6 for access customers.

7

8 Q. What is the purpose of your testimony?

9

10 A. First, I will demonstrate that BellSouth is operationally prepared to
11 support the market entry of local exchange competitors, and that other
12 alternative local exchange companies (ALECs) are operating effectively
13 with BellSouth's interfaces. Second, I will specifically address AT&T's
14 petition as it relates to operational interfaces between BellSouth and
15 ALECs in the following areas: ordering and provisioning, pre-ordering,
16 trouble reporting, customer usage data transfer, and local account
17 maintenance. I will demonstrate that BellSouth already has provided
18 substantial electronic interfaces for those areas, including some for
19 which AT&T now petitions the Florida Public Service Commission
20 ("FPSC" or "Commission"). I will describe the costly and time-
21 consuming work undertaken by BellSouth to provide still additional or
22 enhanced interfaces, and will describe how the timelines for those
23 efforts are driven by the complexities of the undertaking. I will further
24 explain how BellSouth's electronic ordering interfaces comply with

25

1 existing and emerging national standards, and thus represent a
2 reasonable approach to accommodating the operational needs of other
3 ALECs as well as AT&T. I will describe how the AT&T-requested
4 electronic ordering interface that BellSouth is jointly developing with
5 AT&T is different from the interface for which AT&T now petitions this
6 Commission. I will explain how BellSouth's substantial implementation
7 efforts represent a balanced, reasonable and prudent approach to
8 providing operational interfaces for ALECs. Finally, while cost recovery
9 will be addressed by Mr. Scheye, I will include estimates of the
10 significant costs associated with BellSouth's operational
11 implementation in order to illustrate the strength of BellSouth's
12 commitment to accommodating the local market entry of ALECs.

13
14 While such matters as ordering services and reporting troubles seem
15 fairly straightforward, the underlying systems that support those
16 activities are not. Of necessity, therefore, this testimony will contain
17 certain technical information that is necessary to demonstrate the
18 reasonableness of BellSouth's approach.

19
20 BellSouth's Operational Preparedness

21
22 Q. Is BellSouth operationally prepared for both resale and facilities-based
23 local exchange competition?

24
25

1 A. Yes. For nearly a year and a half, BellSouth has devoted extensive
2 human and financial resources to its operational plans for
3 accommodating other local service providers, and to implementing
4 those plans.

5

6 BellSouth has developed operational interfaces, processes and
7 procedures for both resellers and facilities-based competitors.

8 BellSouth has already made available interfaces -- many of which are
9 electronic or mechanized -- for each of the areas requested by AT&T,
10 and has other electronic interfaces under active development on
11 accelerated timelines. Each of these interfaces will be described in
12 later sections of this testimony. However, it is important to note at the
13 outset that BellSouth's processes already are in operation for a number
14 of competitors. In addition, BellSouth has undertaken extensive
15 internal operational preparations to accommodate its competitors --
16 preparations which have required the expenditure of thousands of work
17 hours as well as millions of dollars in internal systems changes.

18

19 Q. Please describe BellSouth's efforts to prepare operationally for local
20 exchange competition.

21

22 A. In March, 1995, BellSouth established an interdepartmental operations
23 planning team to identify solutions for the pre-ordering, ordering,
24 provisioning, billing and repair needs of ALECs. Because of the broad

25

1 scope and sheer number of the issues, the solutions developed have
2 involved and will affect almost every aspect of BellSouth's operations.
3 Despite the extent of the operations preparations already completed,
4 this work is still in progress, and has thus far resulted in:

5

- 6 · Numerous modifications to ordering and billing systems
- 7 · Development or modification of electronic operational interfaces
- 8 · Extensive process and procedure changes
- 9 · Employee training on new procedures and obligations
- 10 · Establishment of new roles and responsibilities

11

12 Q. Has BellSouth established an ordering center for facilities-based
13 ALECs?

14

15 A. Yes. Facilities-based ALECs order interconnection trunking and most
16 unbundled elements through the Interexchange Carrier Service Center
17 (ICSC). BellSouth has produced a handbook for use by facilities-based
18 ALECs to explain the ordering process for these services. The ICSC is
19 the same ordering center that handles access orders for interexchange
20 carriers (IXCs) and competitive access providers. These orders are
21 received and processed through the same mechanized ordering
22 system used today by IXCs to submit Access Service Requests (ASRs)
23 for access services. Using this process facilitates the requests of most
24 ALECs for firm order confirmations and design layout records. This

25

1 system, called EXACT (Exchange Access Control and Tracking), was
2 put into place in 1984 to provide mechanized order communications
3 between BellSouth and IXCs, and operates in accordance with national
4 industry standards. Those standards were developed by the
5 telecommunications industry's standard-setting body, the Ordering and
6 Billing Forum (OBF). The OBF has endorsed the ASR method for
7 processing local interconnection trunking orders.

8
9 When BellSouth receives an ASR via EXACT, BellSouth creates
10 service orders, often with the aid of internal mechanized order
11 generation programs. These same procedures apply to the new order
12 types related to local competition. The ICSC service representatives
13 have been trained on these new types of orders, and are actively
14 processing such orders today.

15

16 Q. Does AT&T currently submit its access orders through a real-time or
17 interactive ordering interface?

18

19 A. No. While BellSouth does have an interactive interface to EXACT
20 available that processes ASRs every 15 minutes, AT&T sends its
21 orders via EXACT in "batches". Batch processing simply means that
22 orders are collected in groups and sent at certain intervals. AT&T
23 sends batches of access orders to BellSouth four times per day.

24

25

1 Q. Is AT&T satisfied with this industry-standard order processing method
2 for local interconnection trunking and the unbundled elements
3 supported by the ASR process?
4

5 A. That has not been clear. While most of our electronic interface
6 discussions with AT&T have focused on resale, their petition to this
7 Commission is so broadly worded that their request for a real time,
8 interactive interface could apply to ordering for interconnection as well.
9

10 Q. Does BellSouth believe that the existing industry standard for access
11 services -- the ASR process -- should be used for local interconnection
12 trunking and the unbundled elements supported by that process?
13

14 A. Yes, for the following reasons. The ASR process has worked well in
15 the access environment for many years, and can support orders for
16 local interconnection trunking and unbundled elements as well. More
17 importantly, the OBF sanctions and supports using this ordering
18 process for facilities-based local competition. In discussions with other
19 facilities-based local competitors, nearly all have sought assurances
20 that BellSouth would comply with OBF ordering standards for
21 interconnection and unbundling. In fact, through the ASR process,
22 BellSouth already has processed orders for more than 1000 local
23 interconnection trunks to connect ALECs with BellSouth's network.
24
25

1 Until such time as OBF recommends otherwise, BellSouth believes this
2 Commission should recognize the existing industry-standard ASR
3 process as the appropriate electronic ordering standard for local
4 interconnection trunking and for the unbundled elements currently
5 supported by that process. This will allow BellSouth to continue using
6 the EXACT system to process these requests.

7

8 Q. Has BellSouth established an ordering center for resellers?

9

10 A. Yes. BellSouth created a new center, the Local Carrier Service Center
11 (LCSC), as the point of contact for ordering and billing matters for all
12 resellers operating in the BellSouth region. BellSouth also has created
13 a handbook for use by resellers to describe the ordering process for
14 resold services. The LCSC also handles orders for certain unbundled
15 elements not supported via the ASR process, such as listings for
16 facilities-based ALECs, interim number portability, and unbundled
17 ports. That center, which is physically located within the Atlanta ICSC,
18 was operational prior to July 1, 1995.

19

20 Equipping the LCSC has thus far resulted in capital expenditures of
21 more than \$400,000. This cost was incurred to purchase routers,
22 servers, terminals and other equipment necessary to provide the LCSC
23 service representatives with the initial ability to process orders and
24 billing inquiries. From the outset, BellSouth anticipated that industry

25

1 ordering standards for resale would emerge, and would result in
2 electronic interfaces similar to those used for access. Of course, even
3 early on BellSouth had every intention of complying with those
4 standards as they became available. The importance of adopting
5 industry standards for resale, and the interfaces currently being
6 developed on the basis of those standards, will be described in detail
7 later in this testimony.

8
9 The center also hired LCSC service representatives, and trained them
10 on the types of orders, both simple and complex, that resellers were
11 expected to generate. The LCSC also is prepared to handle ALECs'
12 orders for listings, interim number portability and unbundled ports. To
13 date, the LCSC has successfully processed more than 1,500 service
14 orders associated with local competition for the BellSouth region. This
15 demonstrates that the processes BellSouth has established to support
16 ALECs' initial market entry in fact have met that objective.

17
18 Q. Has BellSouth provided other direct support to ALECs entering the
19 local exchange market?

20
21 A. Yes. In addition to establishing the ordering centers and creating the
22 other interfaces that will be described in this testimony, BellSouth
23 assigned account team managers from the InterConnection Services
24 business unit to all new entrants. Also, the responsibilities of existing

25

1 account teams serving interexchange carriers (IXCs) have been
2 expanded to support the needs of IXCs who become ALECs. These
3 teams assist resellers and facilities-based ALECs with activities such
4 as completing ordering documents for complex resold services, or
5 establishing interconnection trunking arrangements. BellSouth also
6 provides its resale and facilities-based handbooks to all new entrants to
7 assist them with their interaction and communications with BellSouth.

8

9 Q. Has BellSouth committed significant personnel and financial resources
10 to preparing operationally for local exchange competition?

11

12 A. Yes. The magnitude of this ongoing effort has involved extensive
13 resources within BellSouth and has generated significant expense. For
14 example, the operations team itself has averaged approximately ten
15 full-time members since April of 1995, with numerous other employees
16 involved on an *ad hoc* basis during that same period. By conservative
17 estimate, the ten full-time members alone represent more than 27,000
18 work hours expended thus far. In addition, a separate team of
19 technical experts has been working full-time with AT&T on an electronic
20 ordering interface. That team was established in May, 1996.

21

22 Furthermore, BellSouth has made available or has under active
23 development electronic operational interfaces specifically for use by
24 ALECs. Those interfaces, the costs of which currently are projected to

25

1 be approximately \$10.5 million, address each of the operational areas
2 raised in AT&T's petition, and will be described in detail in later sections
3 of this testimony. These cost projections are summarized on the chart
4 filed with this testimony as Attachment GC-1.

5

6 Q. Have there been other significant expenditures?

7

8 A. Yes. In addition to the \$10.5 million cost for developing electronic
9 interfaces, expenditures for other internal operational support and
10 billing system changes needed to support ALECs' entry are expected
11 to approach \$5 million by the end of 1996. This systems' work
12 encompasses many areas. For example, BellSouth's billing systems
13 have been modified extensively to handle services provided to ALECs.
14 Further, to protect ALECs' account records, BellSouth initiated system
15 modifications to "restrict" ALECs' end user account information from
16 BellSouth's end user customer service centers. Simultaneously,
17 BellSouth developed a mechanized process to display ALECs'
18 telephone numbers to end user service representatives, so that, if the
19 end user should mistakenly call BellSouth, the service representative
20 can provide the ALEC's number to the end user. Even more systems
21 changes were needed to display ALEC contact information on the
22 handheld terminals used by service technicians installing or repairing
23 services on behalf of an ALEC. These and myriad other changes were
24 initiated by BellSouth to accommodate the ALECs' market entry. Mr.

25

1 Scheye will address in his testimony the need for determining how
2 BellSouth will recover these significant costs that have been incurred to
3 serve ALECs.

4

5 BellSouth's Planning Assumptions

6

7 Q. When BellSouth began its operations planning process, did it have
8 specific information about the operations requirements of the new
9 entrants?

10

11 A. No. BellSouth initially had little factual information. First, BellSouth had
12 no information as to when ALECs would choose to enter the local
13 exchange market, or exactly who those entrants would be. Next,
14 BellSouth could not be certain as to whether ALECs would choose to
15 emphasize resale or facilities-based competition. For example, AT&T's
16 decision to discontinue actively marketing local exchange services
17 during its resale market trial in Rochester gave little indication as to
18 whether resale would be a significant or long-term market strategy.

19

20 Q. In the absence of such information, did BellSouth proceed with its
21 planning and implementation?

22

23 A. Yes. Based on legislative activity in its region, BellSouth set for itself
24 the objective of ensuring that it could accommodate the initial entry of

25

1 any ALEC in the BellSouth region by July 1, 1995. However, to my
2 knowledge no company, including AT&T, requested an operational
3 meeting until after that date. Therefore, in undertaking its operations
4 planning, BellSouth had to make a number of assumptions about the
5 resale and interconnection markets, and about the operational
6 requirements of both resellers and facilities-based ALECs.

7

8 Q. Please describe some of those assumptions.

9

10 A. BellSouth assumed that facilities-based ALECs would expect to use the
11 existing electronic order communications and trouble-reporting
12 processes available for access services to the extent possible.

13 BellSouth therefore established procedures for facilities-based ALECs
14 that relied heavily on those existing electronic interfaces.

15

16 For resale, BellSouth proceeded under the assumption -- which has
17 proven to be well founded -- that it would need initially to be prepared
18 to interface with a range of resellers with varying capabilities. These
19 included niche resellers, whose mechanization needs and capabilities
20 would likely be minimal, as well as more sophisticated resellers such as
21 large interexchange carriers.

22

23 Q. Did that assumption affect BellSouth's early implementation activities?

24

25

1 A. Yes. BellSouth's initial objective was to move quickly to ensure it could
2 operationally accommodate the initial entry of any reseller, then to
3 proceed with developing additional or more sophisticated interfaces, if
4 warranted, as industry standards became available and the resale
5 market picture became more clear.

6
7 For some interfaces, meeting this objective necessitated a phased
8 approach to development. The first or interim phase, which was
9 intended to ensure that any ALEC could enter the market, involved a
10 combination of some mechanized and some manual processes. The
11 second or longer-term phase, which is well underway, is intended to
12 provide additional mechanization capabilities for those ALECs
13 preferring that mode of operation. Where a particular type of interface
14 involved a phased approach, the specific capabilities associated with
15 each phase will be detailed in the individual descriptions of each
16 interface later in this testimony.

17
18 Q. AT&T asks the Commission to issue orders requiring BellSouth to
19 provide electronic interfaces to accomplish pre-ordering, ordering and
20 provisioning, maintenance and repair, customer usage data transfer,
21 and local account maintenance. Is BellSouth prepared to
22 accommodate the needs of ALECs in each of these areas?

23
24
25

1 A. Yes. BellSouth has made available interfaces -- many of which are
2 electronic -- for each of the areas requested by AT&T. While each area
3 will be discussed individually in this testimony, it is important to note
4 that some of these interfaces were initiated by BellSouth early in its
5 planning process, prior to having any operational discussions with an
6 ALEC. For example, BellSouth proactively developed the electronic
7 interface that is now available to provide ALECs with daily customer
8 usage data transfer. In addition, BellSouth initiated modifications to the
9 electronic interface previously used by IXCs to validate street
10 addresses, expanded the capabilities of that interface to serve the
11 needs of ALECs, and created a data file for use in ALECs' computer
12 systems to provide feature information to ALECs. Also, BellSouth
13 determined that it would be feasible for ALECs to use the existing
14 electronic trouble reporting gateway previously available to IXCs. For
15 each of these and other areas, BellSouth has worked diligently to
16 accommodate AT&T's demands, and in many cases has modified its
17 initial design to accommodate those demands.

18

19 Electronic Interfaces and "Parity"

20

21 Q. In its petition, AT&T takes the position that electronic access via a
22 gateway to BellSouth's operational support systems is necessary to
23 ensure parity between AT&T's and BellSouth's local service offerings.

24

25

1 Does BellSouth agree that electronic interfaces are necessary for
2 parity?

3

4 A. No. As discussed in Mr. Varner's testimony, AT&T's arguments about
5 parity are not supported by the Telecommunications Act of 1996 ("the
6 Act"). Even if AT&T's concept of parity were supported by the Act,
7 however, that concept would not justify the types of electronic
8 interfaces sought by AT&T. In attempting to link its notion of "parity"
9 with electronic access to BellSouth systems, AT&T is confusing its
10 operational needs with its operational preferences. In fact, parity and
11 electronic interfaces do not go hand-in-hand. Parity, even as defined
12 by AT&T, would require only that certain information be available to
13 resellers, and that processes exist to support the exchange of
14 information. BellSouth has developed processes and procedures --
15 many of which are electronic -- to exchange the necessary information.
16 As long as that information is exchanged, how the information is
17 exchanged is secondary. The fact that AT&T *prefers* electronic
18 interfaces, and *prefers* real-time or interactive arrangements, is hardly a
19 requirement from the end user's point of view.

20

21 AT&T's arguments regarding parity rely on the misconceived notion
22 that, in the absence of electronic access to BellSouth's systems, AT&T
23 will be unable to entice customers to switch to their service because it
24 will just be too burdensome for the customer to do so. It is important to

25

1 note that the vast majority of customers for whom AT&T will initially
2 compete will be the existing base of customers who already receive
3 local service from BellSouth. For resale, the principal action required to
4 switch those existing customers will be to change the billing records for
5 that account. That is, BellSouth will cease billing the end user for local
6 service at the retail rate and will begin billing the new service provider
7 at the wholesale rate.

8

9 It is highly likely that customers will be persuaded to switch primarily by
10 factors such as the availability of customer choice, the strength of
11 AT&T's brand, and the long-awaited prospect of one-stop shopping. It
12 is highly *unlikely* that the communications processes used between
13 AT&T and BellSouth will be a factor in the end user's decision to switch
14 -- the end user should neither know, nor care, that such communication
15 is even necessary.

16

17 Q. AT&T often cites its dissatisfaction with the arrangements it
18 encountered in its Rochester resale trial as evidence of its need for
19 electronic interfaces. How do BellSouth's arrangements compare with
20 those employed by Rochester?

21

22 A. First, unlike Rochester, BellSouth has many mechanized processes
23 available to support resellers, and has others under active
24 development. However, even for its interim manual methods,

25

1 BellSouth attempted to make the process as easy as possible for
2 resellers. For example, to switch an existing customer, BellSouth's
3 form requires only three items of information: the customer's name,
4 telephone number, and a simple checkmark on the order form to
5 indicate that all services should be switched "as is". (This is depicted
6 on the sample form filed with this testimony as Attachment GC-2.) In
7 addition, the resale order forms are available on computer diskette,
8 which enables resellers with personal computers (PCs) to fax the forms
9 directly from their PCs to the LCSC.

10

11 For the same situation in Rochester, however, the reseller was required
12 to elicit from the end user every detail of the existing service
13 arrangement, including an enumeration of all optional features, and to
14 provide that information on a multipage ordering form. Rochester's
15 arrangements may have had a direct impact on the end user; but
16 BellSouth's arrangements were designed to be transparent to the end
17 user and easy for the reseller.

18

19 Industry Standards, Cost Justification and Timing

20

21 Q. You have indicated that BellSouth has made available a number of
22 electronic interfaces, and has others under active development. What,
23 then, are BellSouth's main concerns with regard to AT&T's requests?

24

25

1 A. BellSouth believes the key issues include the availability of and
2 compliance with national industry standards, cost justification of the
3 development effort, timing, and -- as addressed by Mr. Scheye in his
4 testimony -- cost recovery. Throughout its implementation process,
5 BellSouth wanted to be certain that it invested its time and money
6 wisely. BellSouth therefore has sought to ensure that any additional
7 interfaces it developed were compatible with the industry standards
8 that would eventually emerge, that they were cost-justified on the basis
9 of order volumes, and that the timing of the expenditures matched the
10 actual market need.

11

12 Q. What are BellSouth's concerns with regard to industry standards?

13

14 A. BellSouth's objective was to be certain it offered interfaces that met the
15 needs of all ALECs. The need to support all ALECs prompted
16 BellSouth's concern that premature or independent development of an
17 electronic interface for a specific reseller would be wasted investment
18 on BellSouth's part if a different process were adopted as the national
19 standard.

20

21 BellSouth, along with AT&T and most major industry players, has long
22 participated in the OBF, which sets standards for the ASR-based
23 ordering and provisioning processes for access services. Based on its
24 experience in that forum, BellSouth recognized that most facilities-

25

1 based ALECs would expect to expand their use of the existing access
2 ordering interfaces to include local interconnection and unbundling.
3
4 BellSouth also recognized that, if resale became a dominant ALEC
5 strategy, large resellers ultimately might prefer electronic or
6 mechanized interfaces. However, BellSouth also assumed that -- as
7 with mechanized interfaces for access services -- those resellers would
8 want industry solutions to mechanization issues. For example, given
9 that national resellers could be expected to operate from centralized
10 operations centers, it would not appear cost-effective for those resellers
11 to use different mechanized arrangements to interface with different
12 local exchange companies.

13
14 Furthermore, it would have been an imprudent use of resources for
15 BellSouth to establish independent mechanized interfaces, knowing
16 that subsequently the industry could well establish different standards -
17 - standards that BellSouth ultimately would be expected to meet.
18 Indeed, in May of 1995, OBF expanded its scope beyond access
19 services to include all interconnection, including local. Therefore,
20 BellSouth was well aware that OBF would play an active role in
21 evaluating the resale ordering process and associated systems, and
22 that OBF intended to develop national standards.

23
24
25

1 Q. Have BellSouth's concerns about industry standards proven to be
2 valid?

3

4 A. Yes. In negotiations with larger ALECs, nearly all have sought
5 assurances that BellSouth would adhere to OBF standards for
6 interconnection, unbundling and resale, as the various standards
7 became available.

8

9 Q. Does AT&T recognize the likelihood of industry standards for electronic
10 interfaces?

11

12 A. Yes, it would appear so. AT&T, along with BellSouth, has been a
13 regular participant in OBF meetings in which these topics have been
14 addressed. Therefore, it would appear that AT&T is fully aware of the
15 OBF's role in establishing standards, as well as the entire industry's
16 reliance upon those standards.

17

18 Q. What were BellSouth's concerns with regard to ALEC order volumes
19 and timing, and how did those relate to the development of additional
20 electronic interfaces?

21

22 A. Given that additional electronic interfaces beyond those already
23 available will cost millions of dollars to design and implement, BellSouth
24 wanted to be certain that any further interfaces it developed were cost-

25

1 justified on the basis of order volumes, and that the timing of its
2 expenditures for additional interfaces matched the actual market need
3 as closely as possible. At low order volumes, BellSouth's interim
4 manual procedures would not be a burden for an ALEC. Therefore,
5 there would be little justification for additional electronic interfaces to
6 support ALEC market entry, even if an ALEC "preferred" a mechanized
7 mode of operation. In addition, even if low initial volumes were
8 expected to increase, or the types of orders were expected to be
9 different, BellSouth still needed information about the timeframes in
10 which those increased volumes or order types were expected. It would
11 have been an imprudent use of BellSouth's resources to commit people
12 and money to developing interfaces to support low ordering volumes,
13 or to prematurely provide interfaces for volumes that were not expected
14 to materialize or become significant until some unspecified point in the
15 future.

16
17 In view of this concern, BellSouth attempted to obtain information on
18 ordering volumes, order types and timing in operations discussions with
19 various ALECs, including AT&T. As early as September of 1995 and
20 on many occasions thereafter, BellSouth advised AT&T that, along with
21 the availability of industry standards, the availability of AT&T's volume
22 and timing forecast would be a key element in enabling BellSouth to
23 make a fact-based decision on the cost-effectiveness of additional
24 electronic interfaces.

25

1

2 Q. Did AT&T provide this information as requested by BellSouth?

3

4 A. Despite BellSouth's repeated requests, as well as BellSouth's offer to
5 sign a non-disclosure agreement and to protect the information from
6 BellSouth's retail marketing units, AT&T did not provide any information
7 until seven months after BellSouth's initial request.

8

9 Electronic Interfaces Provided by BellSouth

10

11 Q. Please list the specific electronic interfaces that BellSouth has offered
12 to ALECs.

13

14 A. These interfaces include: ordering and provisioning, pre-ordering,
15 trouble reporting, billing usage detail and local account maintenance. I
16 will describe each of these arrangements individually.

17

18 Ordering Interfaces

19

20 Q. Does BellSouth provide electronic ordering interfaces for use by
21 ALECs?

22

23 A. Yes. Local interconnection trunking and most unbundled elements are
24 being ordered via EXACT -- the mechanized system used for access

25

1 services. For other ALEC order types, including resale, BellSouth is
2 jointly developing with AT&T an AT&T requested electronic ordering
3 interface.

4

5 Q. What was the impetus for BellSouth to begin developing the new
6 interface?

7

8 A. In April of 1996, there were two significant developments related to
9 BellSouth's stated concerns. First, AT&T finally provided BellSouth
10 with a preliminary ordering forecast. BellSouth obtained that
11 information pursuant to a non-disclosure agreement, and thus will not
12 disclose its contents here. However, it did contain some information
13 that provided BellSouth with a factual basis for proceeding with an
14 electronic order communications process for resale.

15

16 Second, on April 23, 1996, the Ordering and Provisioning Committee of
17 OBF recommended standards for resale order communications. The
18 recommended standard is based on an arrangement known as
19 Electronic Data Interchange, or EDI. AT&T also had requested that
20 BellSouth pursue an EDI-based interface. Therefore, the OBF
21 recommendation, while far from a final standard, at least gave
22 BellSouth the assurance it had sought that its development efforts
23 would be in keeping with the eventual national standard.

24

25

1 Q: On the basis of these developments, what actions did BellSouth take?

2

3 A. The week following OBF's recommendation of the EDI standard,
4 BellSouth assigned a team of experts to work with AT&T on the
5 technical details of the implementation. That work has proceeded on a
6 full-time basis since then.

7

8 Q. Does this mean, then, that BellSouth -- at AT&T's request -- is working
9 with AT&T on an EDI interface, and that OBF has sanctioned EDI for
10 ALEC order communications?

11

12 A. Yes.

13

14 Q. Should the EDI ordering interface being jointly developed by BellSouth
15 and AT&T therefore satisfy AT&T's requirements?

16

17 A. Yes, BellSouth believes that the EDI interface is sufficient to support
18 AT&T's initial market entry. Prior to receiving OBF's EDI
19 recommendation, BellSouth and AT&T had discussed the feasibility of
20 various types of electronic interfaces, including EDI. AT&T's stated
21 preference was an EDI interface. However, the EDI interface is neither
22 "real-time" nor "interactive", as requested by AT&T in its petition, nor
23 need it be. The EDI interface still meets AT&T's ordering needs.

24

25

1 Q. How has AT&T defined "real-time"?

2

3 A. AT&T has not provided BellSouth with a clear definition of "real time".

4 While BellSouth defines real-time as transmitting and processing data
5 and transactions as they occur, AT&T used the term rather loosely in its

6 original requirements to BellSouth. In some instances, AT&T initially
7 asked for "real time" responses that were later clarified to mean

8 something other than an electronic interface. For example, an initial
9 requirement for "a real time response for Order Status at critical

10 intervals" subsequently was clarified by AT&T to mean that "AT&T
11 needs critical dates on all designed or complex orders." In some

12 instances, AT&T used "real time" simply to indicate the need for an
13 electronic feed.

14

15 Q. How has AT&T defined "interactive"?

16

17 A. AT&T has not provided a definition of "interactive". However, BellSouth

18 interprets interactive to mean that, when an individual with a computer
19 inputs a query, they receive a response. It is important to note that

20 serving a customer in an "interactive" manner is not dependent upon
21 having either a "real time" or an "interactive" interface. For example,

22 BellSouth could electronically provide a data file of information that

23 AT&T could then load in its own computer. AT&T could then "query"

24 that data, and receive a response. The fact that the information was

25

1 provided via a data file, rather than through a "real-time" or "interactive"
2 electronic interface to a BellSouth system, would not prevent AT&T
3 from building its own interactive interface to that data to serve its
4 customers "interactively".

5

6 Q. Even though EDI is not a real-time interface, can it be made to function
7 in near real-time?

8

9 A. Yes. While EDI is not a real-time interface, it can be made to function
10 in near real-time. This depends on the choice of transport method
11 between the parties' computer systems, and the software applications
12 in those systems. For example, these transport methods can include
13 either Value-Added Networks (VAN), or point-to-point private line
14 connections. Of these, VANs are least able to support real-time
15 transactions. This is because a VAN functions as a "middleman" in the
16 EDI world, or like a centralized electronic post office where electronic
17 mail is sorted for later delivery. This process, of course, adds time to
18 transactions as the VAN collects and distributes data. Point-to-point
19 private lines, on the other hand, do not suffer from the delays inherent
20 in VAN-based transport, and thus are better suited to near real-time
21 processing.

22

23 Q. What type of transport method did AT&T request for the EDI interface?

24

25

1 A. AT&T chose a VAN as its preferred data transport method. In view of
2 AT&T's emphasis in this proceeding on real-time, interactive interfaces,
3 their choice of VAN transport is puzzling to BellSouth. For the reasons
4 explained earlier, VAN transport is at odds with a real-time
5 arrangement.

6

7 Q. What EDI transport method was proposed by BellSouth?

8

9 A. BellSouth proposed point-to-point private lines for transport, which
10 would have allowed the EDI interface to function in near real-time.
11 Should AT&T change its requirements in the future and abandon the
12 VAN in favor of private line connections, the EDI interface can then be
13 made to function in near real-time.

14

15 Q. So while petitioning this Commission for a real-time, interactive
16 interface, AT&T rejected the BellSouth-proposed EDI transport
17 method -- a method which would have moved AT&T closer toward its
18 publicly-stated objective of a real-time interface?

19

20 A. Yes.

21

22 Q: Despite the conflict with AT&T's petition, does BellSouth believe that
23 fundamentally the EDI interface being developed by BellSouth satisfies

24

25

1 an ALEC's reasonable requirements for an electronic ordering interface
2 for resale? .

3

4 A. Yes. The EDI interface certainly has the capability to support AT&T's
5 and other ALECs' needs, and has been designed to AT&T's
6 specifications.

7

8 Q. Does BellSouth recommend EDI as an appropriate electronic ordering
9 interface for resale?

10

11 A. Yes, for the following reasons. First, the OBF and other related
12 industry committees have adopted EDI as the industry standard for
13 such ordering. Those industry committees have made the
14 development of local service ordering guidelines their number one
15 priority. Thus, while industry standards are far from being finalized, it is
16 clear that the work BellSouth has in progress is very likely to be in
17 concert with the emerging industry standards.

18

19 Second, EDI provides ALECs with an electronic order communications
20 process for resale that is similar to that currently used for access
21 services. The EXACT system allows IXCs and ALECs to submit ASRs
22 electronically. Upon receipt of the ASR, the ICSC creates service
23 orders to flow through BellSouth's internal service order systems. The
24 EDI interface under development will allow a reseller to submit Local

25

1 Service Requests (LSRs) electronically. As with access, the LCSC will
2 then create service orders that will flow through all BellSouth's
3 provisioning systems in the same manner as do BellSouth's end user
4 orders. The similarities between the access and resale processes are
5 depicted in the drawing filed with this testimony as Attachment GC-3.

6
7 Next, using the EDI interface is beneficial to a reseller. The EDI
8 arrangement allows a reseller to transmit LSRs via data lines rather
9 than FAX lines, and to receive confirmation of those orders
10 electronically as well.

11
12 Finally, this arrangement also provides a foundation for mechanized
13 enhancements of the order generation process. *By DECEMBER 31, 1996 BellSouth*
14 BellSouth believes this Commission should find that the EDI *For all these reasons, will have*
15 arrangement under development is an appropriate vehicle for electronic *mechanized the order generation*
16 resale order communications. *process on BellSouth's side of the*
EDI interface for
several types of orders,
including switch as is
for residence and single
line business and
disconnects.

17
18 Timing and Cost of Ordering Interfaces

19
20 Q. AT&T's petition states that BellSouth refuses to make AT&T's preferred
21 ordering interfaces available upon AT&T's initial market entry. When
22 does BellSouth anticipate that the EDI interface will be operational?

23
24
25

1 A. Implementation of the initial EDI links for an order transmission and
2 confirmation process for single line residence, single line business,
3 PBX and vertical service orders is scheduled for September, 1996.
4 Expansion of the interface to include complex orders at the first
5 production site is scheduled for December, 1996.

6

7 Q. Is this an aggressive schedule?

8

9 A. Yes, this is very aggressive, particularly considering the number of
10 order types to be included. Furthermore, due to the detailed technical
11 negotiations that must take place for each type of transaction, it is not
12 unusual for an EDI implementation to be lengthy. These technical
13 negotiations, which are well underway between BellSouth and AT&T,
14 are among several industry-recognized steps that must be taken to
15 ensure a successful EDI implementation.

16

17 For example, the parties must agree on an industry standard, on what
18 type of information will be exchanged on the interface, and must agree
19 on the data transport method. Further, the parties must agree on the
20 characteristics of every field on every business form that will be used,
21 so that the computer systems on either end of the interface will be able
22 to interpret the data correctly.

23

24

25

1 The BellSouth EDI implementation is particularly time-consuming
2 because of the emerging nature of the industry standards. Typically,
3 an EDI implementation begins with a well-developed industry standard
4 that includes many pre-defined data elements. The parties' technical
5 negotiations then focus on customizing these pre-defined data sets for
6 their particular use. In this case, BellSouth and AT&T are operating
7 somewhat ahead of the industry, and are therefore having to include in
8 their development effort much of the detailed definition work that
9 normally would take place at the industry level, in the standard-setting
10 committees. However, on the basis of the OBF recommendation to
11 adopt EDI as the standard, BellSouth agreed to undertake this
12 definitions work with AT&T in order to expedite delivery of the interface.
13 In doing so, BellSouth naturally expected that AT&T would support the
14 jointly-developed specifications at the industry level.

15
16 In summary, the need to negotiate every detail of every transaction that
17 will take place over the interface is one of the primary drivers of the
18 implementation timetable. BellSouth has a team of technical experts
19 currently working on a full-time basis to develop such a specific
20 structure based on the OBF recommendation to adopt EDI. While
21 those experts are jointly developing the initial structure with a team
22 from AT&T, the structure being developed is not intended to be, nor
23 should it be, specific to BellSouth and to AT&T. Rather, it is intended

24
25

1 to be the structure for any local service provider using EDI-based order
2 communications with BellSouth.

3

4 Q. What are the projected costs of providing the EDI-based ordering
5 interface?

6

7 A. The cost of establishing the initial EDI links between AT&T and
8 BellSouth for single line residence, single line business, PBX and
9 vertical service orders initially was estimated to be in the range of
10 \$300,000 to \$500,000. These costs will increase as additional capacity
11 is added and additional testing is undertaken to support other ALECs.
12 In addition, these amounts do not include ongoing support costs.

13

14 BellSouth also has agreed to expand the scope of the EDI
15 implementation to include complex order types. The costs of this
16 additional work have not yet been finalized. However, they are
17 expected to be at least as much as the cost of the initial order types.
18 As the development effort proceeds through the design phase these
19 costs will be determined. Finally, as detailed OBF standards are
20 adopted throughout 1997 and 1998, BellSouth anticipates that some
21 rework and associated expenditure may be required to ensure its
22 interface complies with the final standards.

23

24

25

1 Q. Please summarize BellSouth's position on electronic ordering
2 interfaces.
3
4 A. The industry-standard ASR process used for access services will
5 support electronic ordering for local interconnection trunking and most
6 unbundled elements. No additional interfaces are required for these
7 services. For resale and certain unbundled elements such as listings,
8 interim number portability and unbundled ports, BellSouth -- at AT&T's
9 request -- is co-developing an OBF-sanctioned EDI interface with
10 AT&T; that interface provides electronic order communications
11 comparable to those for access services. BellSouth has a team of
12 technical experts working full-time with AT&T on the EDI
13 implementation; that team is operating on an accelerated timeline.

14
15 AT&T has not shown that a real-time or interactive ordering interface is
16 necessary to support its market entry, however, the industry-sanctioned
17 EDI interface *will* support AT&T's market entry. Furthermore, the EDI
18 interface could have been designed to function in a near real-time
19 mode if AT&T had accepted BellSouth's recommended transport
20 method. BellSouth believes this Commission should recognize the EDI
21 interface and the current schedule to provide it as reasonable and
22 appropriate for all ALECs, including AT&T.

23
24
25

1 Provisioning

2

3 Q. AT&T's petition also refers to provisioning systems. Is direct access to
4 BellSouth's provisioning systems a requirement for either resale or
5 facilities-based interconnection?

6

7 A. No. Provisioning of interconnection, unbundling and resale services
8 ordered from BellSouth are BellSouth's responsibility. No interfaces
9 are required -- all necessary provisioning activities are triggered by the
10 service order.

11

12 Pre-Ordering Interfaces

13

14 Q. How does BellSouth define pre-ordering information?

15

16 A. Pre-ordering information allows a reseller to determine the availability
17 of features and services, assign a telephone number, advise the
18 customer of a due date, and validate a street address for service order
19 purposes. Pre-ordering information does not include marketing
20 information about BellSouth's existing customers.

21

22 Q. Is pre-ordering information needed for all orders?

23

24

25

1 A. No. This information is only needed for those orders involving new
2 service or changes such as adding features. It is not needed for
3 existing customers simply changing to a reseller without feature or
4 number changes.

5

6 Q. AT&T indicates in its petition that BellSouth is unwilling to provide
7 AT&T with real-time and interactive access to its operational support
8 systems via electronic interfaces. Is this true?

9

10 A. No. Because of the number of systems involved, this undertaking is
11 complex, time-consuming, and involves significant expense. Therefore,
12 BellSouth's work in this regard necessarily has proceeded in two
13 phases. The first phase, which BellSouth began in mid-1995, includes
14 real-time interactive access to some pre-ordering information, and
15 makes arrangements for all pre-ordering information. The second
16 phase provides real-time interactive access to all categories of pre-
17 ordering information.

18

19 Q. Please describe phase one for pre-ordering.

20

21 A. The first pre-ordering phase was intended to ensure that any ALEC
22 entering the market could assign telephone numbers, ascertain the
23 availability of features and services, and advise the customer of a due

24

25

1 date. This phase involved a combination of mechanized and manual
2 processes.

3

4 Q. What were the specific capabilities available during phase one?

5

6 A. Phase one includes the following four capabilities, all of which provide
7 the ALEC with the capability to obtain pre-ordering information and to
8 advise the customer accordingly -- with the customer on the line --
9 without consulting BellSouth:

10

11 • Real time access via an electronic interface to information that
12 identifies the serving central office for a particular street address,
13 and that validates the address for service order purposes. This,
14 together with the feature information described in the next bullet,
15 allows an ALEC -- with the customer on the line -- to advise the
16 customer of feature and service availability without consulting
17 BellSouth. The cost of this development effort was about
18 \$200,000.

19 • Access through a data transmission line to a data file containing
20 service and feature availability for each serving central office.
21 Using the data line, the ALEC can access this information at will,
22 or can download this information to its own computer system
23 and access it interactively. Together with the information
24 described in the previous bullet, the ALEC can use this

25

1 information to advise its customer of feature and service
2 availability -- with its customer on the line -- without consulting
3 BellSouth.

4 • Access through a computer diskette file to a pool of telephone
5 numbers reserved for the ALEC in each central office requested
6 by the ALEC. If an ALEC loads this file into their own computer
7 system, the ALEC can interactively assign telephone numbers
8 from this pool -- with its customer on the line -- without
9 consulting BellSouth.

10 • Access to installation intervals through *interval guidelines*
11 developed by BellSouth. This information can be used by the
12 ALEC to quote a due date to its customer without consulting
13 BellSouth.

14

15 Q. Please describe the phase two pre-ordering capabilities.

16

17 A. Having ensured via its phase one procedures that ALEC market entry
18 could proceed, BellSouth then began evaluating a fully mechanized
19 capability for the second phase effort. BellSouth completed its formal
20 proposal on May 1, 1996, and subsequently began its actual
21 development effort. Phase two varies from the phase one capabilities
22 in the following ways:

23

24

25

- 1 • Real-time access to the information that identifies the serving
2 central office for a particular street address, and that validates
3 the address for service order purposes, will continue to be
4 provided. In addition, BellSouth will enhance this interface to
5 provide additional information of interest to the ALEC, such as
6 the availability of facilities at a particular location.
- 7 • Real-time access will replace the data transmission line access
8 to information on service and feature availability.
- 9 • Real-time access to telephone number reservation information
10 will replace the computer file of reserved telephone numbers.
- 11 • Real-time access to the information BellSouth uses to calculate
12 due dates will replace the installation interval guidelines.

13

14 The specific pre-ordering capabilities for both phase one and phase
15 two are shown on the figure filed with this testimony as Attachment GC-4.

16

17 Q. What type of pre-ordering interface has AT&T requested?

18

19 A. In its petition for arbitration, AT&T has requested that BellSouth provide
20 real-time or interactive access through an electronic gateway to
21 systems that BellSouth uses to access pre-ordering information.

22

23 Q. Will BellSouth's phase two pre-ordering interfaces satisfy AT&T's
24 request?

25

1

2 A. It should. While the phase one interfaces include as much
3 mechanization as possible, the phase two interfaces will provide real-
4 time, interactive access to the same pre-ordering information used by
5 BellSouth, as requested by AT&T.

6

7 Q. When will the pre-ordering interfaces be available?

8

9 A. The phase one interfaces are available now. The interdepartmental
10 team planning the phase two project will complete the necessary
11 technical specifications on August 15, 1996. Implementation is
12 currently scheduled for completion by April 1, 1997.

13

14 Q. Is this an aggressive schedule?

15

16 A. Yes. This effort involves a number of systems and is tremendously
17 complex. Hardware must be ordered and installed for the
18 communications links necessary to provide the real-time, interactive
19 capability. Further, presentation software must be developed and
20 tested to display the information obtained from the databases. In
21 addition, the databases themselves must be modified to provide the
22 necessary data to the presentation system. All of these activities are
23 magnified due to the number of systems involved.

24

25

1 Q. Will AT&T be able to compete successfully in the interim for customers
2 who choose to switch their existing local service to a new provider?
3

4 A. Yes. For a customer switching their existing service to a new provider,
5 it will not be necessary for a reseller to assign a telephone number,
6 ascertain an installation date, nor investigate product and service
7 availability. The reseller will merely notify BellSouth that the end user
8 has elected to become a customer of the reseller, and BellSouth will
9 make the necessary changes in the billing records.
10

11 Q. What are the projected costs of the phase two pre-ordering interfaces?
12

13 A. The cost of this project is currently estimated to be \$5 million to
14 \$6 million. Actual cost will, of course, depend upon the final design.
15

16 Q. Please summarize your testimony on pre-ordering interfaces.
17

18 A. AT&T's claim that BellSouth is unwilling to provide AT&T with real-time
19 and interactive access to its pre-ordering information is simply not true.
20 BellSouth already has many mechanized processes in place that allow
21 an ALEC to obtain pre-ordering information and to advise the customer
22 accordingly -- with the customer on the line -- without consulting
23 BellSouth. In addition, BellSouth is actively working on a complex,
24 time-consuming and expensive interface that will provide AT&T with
25

1 real-time, interactive access to pre-ordering information. Meanwhile,
2 this information is not even necessary to enable AT&T to compete for
3 existing customers who simply choose to switch local service providers.

4

5 Electronic Interfaces for Maintenance and Repair

6

7 Q. AT&T claims in its petition that BellSouth has been unwilling to make a
8 real-time, interactive electronic interface available for trouble reporting.
9 Is this true?

10

11 A. No, it is not true. BellSouth has a fully electronic, real-time, interactive
12 trouble reporting interface currently available for use by ALECs. In
13 addition, at AT&T's request BellSouth has under development an
14 enhancement that will provide ALECs with access to the same
15 interactive testing capabilities BellSouth uses to screen POTS trouble
16 reports. Finally, in keeping with its need to accommodate ALECs with
17 varying mechanization capabilities, BellSouth also is prepared to
18 accept verbal trouble reports.

19

20 Q. Please describe the currently available real-time, interactive, electronic
21 interface for trouble reporting.

22

23 A. BellSouth has offered ALECs the same electronic interface for trouble
24 reporting that is now available to IXCs for access services. This

25

1 interface allows the ALEC to enter a trouble report, obtain the same
2 appointment interval that would be given to a BellSouth end user
3 customer, subsequently add information to the report itself, check for
4 trouble completion, cancel the trouble report if necessary and perform
5 other trouble administration functions. In response to troubles reported
6 via the gateway, BellSouth will test and initiate repair to the service.

7
8 The similarities between this arrangement and the electronic trouble
9 reporting available for access customers are shown in the figure filed
10 with this testimony as Attachment GC-5. This interface was
11 implemented by BellSouth in 1995 for access services, at AT&T's
12 request. This interface is based on national standards published by the
13 American National Standards Institute (ANSI) and was implemented in
14 accordance with industry guidelines. The ANSI standard defines the
15 transfer of maintenance requests, status and closeout information
16 between two telecommunications providers.

17
18 Q. Please describe the additional capabilities being added to the existing
19 electronic trouble reporting interface.

20
21 A. At AT&T's request, BellSouth is adding the capability for the ALEC to
22 access the same interactive testing sequence that BellSouth follows to
23 screen trouble reports.

24
25

1 Q. When will this enhancement be available?

2

3 A. This enhancement is scheduled for completion in March of 1997.

4

5 Q. Is this an aggressive schedule?

6

7 A. Yes, it is. This system was not originally built for external access.

8 Therefore, extensive modifications are required in order to maintain the

9 security and integrity of the system. BellSouth is not internally staffed

10 for this development effort. Therefore, after defining the technical

11 specifications for the interface, BellSouth must acquire external

12 programming resources for an effort that will require thousands of

13 programmer hours. In addition, the preliminary architecture will require

14 BellSouth to purchase and install a new computer platform to establish

15 connectivity with the external users of this system.

16

17 Q. What is the estimated cost of providing this enhancement?

18

19 A. Current estimates are that this interface will cost BellSouth

20 approximately \$3.5 million to develop and implement. Actual cost will

21 be determined as the implementation proceeds.

22

23 Q. Please summarize your testimony on electronic interfaces for trouble
24 reporting.

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A. AT&T's assertion that BellSouth is unwilling to provide a real-time, interactive, electronic trouble reporting interface is simply not true. BellSouth has already provided such an interface. In addition, at AT&T's request, BellSouth has a time-consuming and costly effort underway to provide additional interactive trouble reporting capabilities to ALECs.

Electronic Interfaces for Customer Usage Data Transfer

Q. In its petition, AT&T claims that BellSouth has been unwilling to make an electronic interface available for customer usage data transfer. Is this true?

A. No, it is not true. BellSouth already has the capability available to electronically provide customer usage detail to ALECs. This option provides detail for billable usage such as directory assistance or toll calls associated with a resold line or a ported telephone number. The usage option allows the ALEC to bill end users at their discretion, rather than on BellSouth's billing cycles. This option also allows an ALEC to establish toll limits, detect fraudulent calling, or analyze its customer usage patterns.

Q. How long has BellSouth had this electronic interface available?

1

2 A. In anticipation of ALECs' requests for this option, BellSouth undertook
3 its development effort in September of 1995. This electronic interface
4 was made available on March 31, 1996. In addition, BellSouth now
5 has modified its original design to specifically accommodate an AT&T
6 request; that modification will be completed in September of 1996.

7

8 Q. Does this interface meet AT&T's request for an electronic interface for
9 customer usage data transfer?

10

11 A. Given that BellSouth already has available an electronic interface of the
12 type requested by AT&T, and given further that BellSouth is modifying
13 that interface specifically to accommodate AT&T, one would assume
14 that the interface meets their needs.

15

16 Q. What are the estimated costs of this interface?

17

18 A. BellSouth's initial development cost for this interface was approximately
19 \$125,000. This does not include the cost of the AT&T modification, nor
20 the ongoing costs for producing the usage files themselves.

21

22 Electronic Interfaces for Local Account Maintenance

23

24

25

1 Q. In its petition for arbitration, AT&T indicates it has requested that
2 BellSouth provide an electronic interface for local account
3 maintenance. What does this mean?
4

5 A. AT&T's petition is not clear in this regard. The petition defines local
6 account maintenance as the means by which BellSouth can update
7 information regarding a particular customer, such as a change in the
8 customer's features or services. However, changes to a customer's
9 features or services normally will be initiated by AT&T, and thus will be
10 handled via the normal service order flow through the processes
11 described throughout this testimony. There will, however, be some
12 exceptions to this norm, and it is possible that AT&T is intending to
13 address those exceptions with this request. However, these
14 exceptions certainly do not warrant the cost and effort of establishing
15 yet another interface.
16

17 Q. Please describe those exceptions.
18

19 A. The first exception occurs when an end user customer switches from
20 one ALEC to another (i.e., from AT&T to another ALEC), and that end
21 user's service involves, for example, a resold BellSouth service. AT&T
22 has requested electronic notification of this change on a daily basis,
23 which BellSouth has agreed to provide. BellSouth believes the only
24
25

1 issue associated with this request is cost recovery, as addressed by
2 Mr. Scheye.

3

4 AT&T also has requested the capability, as the local exchange carrier,
5 to initiate PIC (presubscribed interexchange carrier) changes on resold
6 lines via a local service request. BellSouth has agreed to accept these
7 orders, and is currently evaluating the data elements necessary to
8 include them in the EDI ordering interface discussed previously.

9

10 Carrier Billing Standards

11

12 Q. AT&T has raised the issue of whether BellSouth should be required to
13 provide carrier billing using industry standards. What is BellSouth's
14 position?

15

16 A. BellSouth understands this issue to mean that AT&T wants BellSouth
17 to bill resold local exchange services via the carrier access billing
18 system (CABS). To BellSouth's knowledge, there currently is no
19 industry standard requiring such billing, nor is one imminent.

20

21 The billing for the retail services available for resale, as well as the
22 unbundled port offering, currently is done via the Customer Record
23 Information System (CRIS). The CRIS billing system contains the
24 necessary infrastructure to provide the line level-detail resellers need,

25

1 while the CABS billing system, which is geared towards access
2 services, does not. AT&T appears to prefer CABS billing because of
3 the CABS billing quality control measures with which AT&T is familiar.
4 However, AT&T's resale billing account in CRIS will be subject to the
5 same internal quality controls and measurements used for BellSouth's
6 other CRIS accounts. The CRIS billing system has the capability to
7 meet all the requirements delineated by AT&T except one: it is not
8 CABS. AT&T's preference for CABS appears to be strictly that -- a
9 preference. BellSouth believes that this Commission should support
10 the use of the billing system equipped for the task at hand, which, for
11 resold local exchange services, is the CRIS billing system. If, at some
12 time in the future, the industry were to define CABS as the standard for
13 resale billing, the matter should be addressed at that time.

14

15 Q. Please summarize your testimony.

16

17 A. BellSouth is operationally prepared to support the market entry of local
18 exchange competitors. Other ALECs are operating effectively with the
19 interfaces BellSouth has established to date. BellSouth has
20 established or modified many electronic interfaces to support ALECs,
21 and has others under development on an accelerated timeline. For
22 ordering and for trouble reporting, BellSouth is providing electronic
23 interfaces for both resellers and facilities-based carriers that are similar
24 to the processes that have worked effectively in the interexchange

25

1 access world. While pre-ordering information is not even necessary to
2 compete for customers who simply switch their existing service,
3 BellSouth nonetheless has established interfaces to allow ALECs to
4 obtain such information electronically. In addition, BellSouth has
5 devoted substantial time and money to providing real-time and
6 interactive pre-ordering interfaces, and additional trouble reporting
7 capabilities, as rapidly as the complexity of the development effort will
8 permit. BellSouth also has provided electronic customer usage data
9 transfer, and is modifying its original design specifically to
10 accommodate AT&T's requests.

11
12 The real-time and interactive interfaces demanded by AT&T are not
13 requirements for successful market entry. An exchange of information
14 is required, but how that information is exchanged is secondary, and is
15 likely to be of little concern to the end user. Nonetheless, BellSouth
16 has dedicated substantial resources in an attempt to understand and
17 accommodate AT&T's "requirements", and has developed extensive
18 electronic processes to support the exchange of information. In fact, a
19 full-time BellSouth implementation team is jointly developing an OBF-
20 supported ordering interface with AT&T. Meanwhile, AT&T petitions
21 this Commission for a different type of interface.

22
23 BellSouth has committed thousands of work hours and millions of
24 dollars to provide effective operational interfaces for AT&T as well as

25

1 other ALECs, and is operating on accelerated timelines. Nonetheless,
2 AT&T ignores this substantial effort, and even petitions this
3 Commission for some interfaces BellSouth already has provided.
4 BellSouth hopes that this Commission will recognize BellSouth's
5 implementation efforts as timely, appropriate and responsive to the
6 needs of an emerging and evolving market.

7

8 Q. Does this conclude your testimony?

9

10 A. Yes.

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BELLSOUTH TELECOMMUNICATIONS, INC.
DIRECT TESTIMONY OF GLORIA CALHOUN
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 960846-TP
SEPTEMBER 9, 1996

Q. Please state your name, address and position with BellSouth Telecommunications, Inc. ("BellSouth").

A. My name is Gloria Calhoun. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375. I am employed by BellSouth Telecommunications, Inc. as a Manager in the Strategic Management Unit. In that position I handle responsibilities associated with operations planning for local competition.

Q. Please summarize your background and experience.

A. I graduated *summa cum laude* with a Bachelor of Arts degree in Economics from the University of North Florida. In 1995, I completed a management program at the Georgia Tech Management Institute. I began my BellSouth career in 1981 when I joined the Southern Bell Business Marketing organization in Jacksonville, Florida. In that capacity I was responsible for coordinating the interdepartmental efforts needed to implement complex voice systems and associated exchange

1 services. I transferred to the economic analysis group at company
2 headquarters in Atlanta in 1985, where I analyzed operations costs for
3 dedicated services. I subsequently was promoted to a position in
4 which I had pricing responsibility for dedicated services, as well as for
5 additional testing, maintenance and other special provisioning activities
6 for access customers.

7

8 Q. What is the purpose of your testimony?

9

10 A. I will address issues raised by MCI with respect to operational
11 interfaces between BellSouth and Alternative Local Exchange
12 Companies (ALECs) in the following areas: ordering and provisioning,
13 pre-ordering, trouble reporting, customer usage data transfer, and local
14 account maintenance. In addition, I will discuss BellSouth's positions
15 on which billing system and billing format is appropriate for ALEC
16 billing, and on pre-sale provision of customer service record
17 information.

18

19 Q. Are the issues raised by MCI in their petition significantly different from
20 those raised by AT&T in their petition with regard to the implementation
21 of electronic interfaces for ordering and provisioning, pre-ordering,
22 trouble reporting, customer usage data transfer, and local account
23 maintenance?

24

25

1 A. For the most part, there is no overall difference in the issues raised or
2 in BellSouth's position on these issues. Therefore, to address MCI's
3 petition for these same interfaces, I am adopting my direct testimony
4 filed on August 12, 1996 in Docket No. 960833-TP before the Florida
5 Public Service Commission ("Commission"). I will also address certain
6 MCI-specific requests.

7
8 Q. Are the timeframes to provide electronic interfaces identical for all
9 ALECs?

10
11 A. The basic functionality and applications associated with each of the
12 various interfaces were made available or will be available on the dates
13 specified in my AT&T direct testimony. Specific implementation dates
14 must be negotiated with each ALEC based on installation of
15 communications circuits between the ALEC and BellSouth,
16 implementation of system capacity based on ALEC user forecasts, and
17 negotiation for delivery of any additional functionality required by the
18 ALEC.

19
20 Q. Is BellSouth's pre-ordering interface consistent with MCI's definition of
21 pre-ordering information?

22
23 A. Yes, with only two differences. First, in describing pre-ordering
24 systems on page one of Appendix 1 to MCI's petition, "Customer
25 Provisioning, Billing and Servicing Standards Necessary for Local

1 Service Competition" ("Appendix 1"), MCI indicates its desire that pre-
2 ordering information include current customer service records (CSR).
3 BellSouth does not agree that pre-ordering information includes
4 existing customer service records. BellSouth will provide information
5 that allows an ALEC to determine the availability of features and
6 services, validate a street address for service order purposes, assign a
7 telephone number when necessary, and advise the customer of a due
8 date. However, BellSouth believes it is not appropriate to provide an
9 ALEC with access to the existing customer service record of
10 BellSouth's customers, or of any other ALEC's customers, during the
11 pre-sale phase of order negotiations.

12

13 Q. What are BellSouth's reasons for not providing this information to an
14 ALEC prior to their issuing an order to switch the customer?

15

16 A. First, the current customer service record contains proprietary
17 information on BellSouth's or other ALECs' relationships with end user
18 customers. MCI is free to initiate its marketing effort by simply asking
19 those customers which services they wish to receive, or which services
20 they already purchase. However, just as BellSouth has taken steps to
21 restrict the ALECs' records from BellSouth's end user marketing
22 centers, it is appropriate to protect the customer records of one
23 company from other companies. Providing MCI or any other ALEC
24 with direct access to the current service records of any customer the
25 ALEC chooses to target would not be appropriate.

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It would not be reasonable to require BellSouth to provide such information on a pre-sale basis for either its customers or any other ALEC's customers. Providing electronic access to this information would allow MCI or any ALEC to browse BellSouth's databases for marketing purposes.

Moreover, Florida Statute 364.24 (2) specifically states that:

Any officer or person in the employ of any telecommunications company shall not intentionally disclose customer account records except as authorized by the customer or as necessary for billing purposes, or required by subpoena, court order, other process of court, or as otherwise allowed by law. Any person who violates any provision of this section commits a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083. Nothing herein precludes disclosure of customers' names, addresses, or telephone numbers to the extent they are otherwise publicly available.

It appears to me that if BellSouth does what MCI has requested, we would be in violation of this statute and subject to criminal penalties. Nonetheless, as I described earlier, MCI does have other avenues available for obtaining this information.

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Q. Does MCI need this information in order to compete effectively for existing customers of BellSouth or another ALEC?

A. No. It is highly unlikely that customers will expect a new competitor to already have access to all the details of their existing service. It is more likely, in fact, that customers would consider such access an invasion of their privacy. By way of analogy, if I were contacted by a lender offering to refinance my home mortgage, I would not expect that lender to already know the details of my existing loan, such as my payoff amount, current interest rate and amortization schedule, prior to -- or during -- the initial contact. I would expect to either provide that information myself, or to have the new lender get my permission to obtain the information from my current mortgage company.

The same situation exists with competitive telephone services. BellSouth's pre-ordering interface will provide information on what services are available to a customer. It is up to MCI or any ALEC to determine which services and features are desired by the customer and convince them to switch local exchange companies. In addition, BellSouth will provide via its Electronic Data Interchange (EDI) ordering interface a firm order confirmation and completion notification. The ALEC can utilize this data to build its own customer database for its new customers.

1 Q. Will BellSouth ever provide the customer service record data to MCI?

2

3 A. Yes, under some circumstances. If the customer wants MCI or any
4 other ALEC to obtain his/her existing customer service records to assist
5 the customer in the decision to switch local service providers, then the
6 end user can authorize that release. Otherwise, BellSouth will provide
7 the customer's records only after the customer has actually switched to
8 the ALEC.

9

10 Q. As a result of the most recent issue identification meeting, held on
11 August 20, 1996, have any issues been rewritten that should be
12 addressed at this time?

13

14 A. Yes. The question addressed in my AT&T direct testimony concerning
15 whether BellSouth should adhere to industry billing standards when
16 rendering bills to ALECs has been revised to read, "What billing system
17 and what format should be used to render bills to the ALEC for services
18 and elements purchased from BellSouth?" On page six of Appendix 1,
19 MCI asserts that wholesale services should be billed based on Carrier
20 Access Billing System (CABS) standards. BellSouth believes that the
21 objective of this request is to force BellSouth to render bills for resold
22 services via CABS. This is completely inappropriate.

23

24 The CABS billing system is designed to render bills for access services.
25 CABS bills do not include the line level detail associated with resold

1 exchange lines. The billing system that supports those services is the
2 Customer Record Information System (CRIS). BellSouth believes that
3 MCI is expressing a preference for CABS billing based on its familiarity
4 with CABS billing in the interexchange world, as well as the availability
5 of quality control processes for CABS billing.

6
7 However, the CRIS billing system already contains the necessary
8 infrastructure to provide the line level detail associated with resold
9 services, and also is subject to BellSouth's internal quality controls.
10 The CABS system is not designed for this task; without extensive and
11 potentially costly modifications, it would not even be capable of
12 accomplishing the desired outcome.

13
14 CRIS bills currently are available in the ALEC's choice of several
15 formats. Available options include:

- 16
17 • Electronic Data Interchange (EDI) transmission
18 • Diskette Analyzer Bill Format
19 • Magnetic Tape
20 • CD-ROM
21 • Paper

22
23 Q. Please summarize your testimony.

24
25

1 A. BellSouth is operationally prepared to support the market entry of local
2 exchange competitors. Other ALECs are operating effectively with the
3 interfaces BellSouth has established to date. BellSouth has
4 established or modified many electronic interfaces to support ALECs,
5 and has others under development on an accelerated timeline. For
6 ordering and for trouble reporting, BellSouth is providing electronic
7 interfaces for both resellers and facilities-based carriers that are similar
8 to the processes that have worked effectively in the interexchange
9 access world. BellSouth also has provided an interface for electronic
10 customer usage data transfer. A full-time BellSouth implementation
11 team is developing an Ordering and Billing Forum (OBF) supported EDI
12 ordering interface for resale and unbundled elements not ordered via
13 the existing mechanized access process. While pre-ordering
14 information is not even necessary to compete for customers who simply
15 switch their existing service, BellSouth nonetheless has established
16 interfaces to allow ALECs to obtain such information electronically. The
17 customer service record is not part of the pre-ordering interface.
18 BellSouth will make these records available to the ALEC upon
19 authorization by the end user, or after orders have been issued to
20 switch the customer to the ALEC. In addition to the existing
21 arrangements for pre-ordering information, BellSouth has devoted
22 substantial time and money to providing enhanced real-time and
23 interactive pre-ordering interfaces. Additional interactive testing
24 capabilities are being added to the trouble reporting interface. Both the
25

1 pre-ordering and trouble reporting enhancements are being added as
2 rapidly as the complexity of the development effort will permit.

3

4 The CRIS billing system is the appropriate vehicle for rendering bills for
5 resold services. It contains the necessary infrastructure to provide line
6 level detail associated with resold services, while the CABS system is
7 not designed for this task.

8

9 BellSouth has committed thousands of work hours and millions of
10 dollars to provide effective operational interfaces for all ALECs, and is
11 operating on accelerated timelines. BellSouth hopes that this
12 Commission will recognize BellSouth's implementation efforts as timely,
13 appropriate and responsive to the needs of an emerging and evolving
14 market.

15

16 Q. Does this conclude your testimony?

17

18 A. Yes.

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BELLSOUTH TELECOMMUNICATIONS, INC.
REBUTTAL TESTIMONY OF GLORIA CALHOUN
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 960833-TP
AUGUST 30, 1996

Q. Please state your name, address and position with BellSouth
Telecommunications, Inc. ("BellSouth").

A. My name is Gloria Calhoun. My business address is 675 West
Peachtree Street, Atlanta, Georgia 30375.

Q. Are you the same Gloria Calhoun who previously filed direct testimony
in this proceeding?

A. Yes.

Q. What is the purpose of your testimony?

A. I will show that the testimony of AT&T witnesses Carroll and Shurter
does not accurately reflect the realities of BellSouth's extensive efforts
to proactively provide effective operational interfaces to facilitate the
local market entry of alternative local exchange companies (ALECs).
Specifically, I will show that these witnesses make unfounded

1 allegations about BellSouth's "unwillingness" to provide electronic
2 interfaces, and make inappropriate comparisons between BellSouth's
3 extensive electronic interfaces and the manual processes AT&T
4 encountered during its Rochester market trial. What is particularly
5 troubling is that these witnesses completely ignore the electronic
6 interfaces BellSouth already has made available, the imminent
7 availability of additional interfaces, and the additional or enhanced
8 interfaces being developed on greatly accelerated timelines for delivery
9 in early 1997. This is despite the fact that, by virtue of the knowledge
10 AT&T has obtained through its participation in the development of
11 many of these interfaces, AT&T knows full well the extent of
12 BellSouth's operational preparation, and also knows the great lengths
13 to which BellSouth has gone to accommodate AT&T's demands.

14

15 Q. Mr. Shurter's testimony states on page three that BellSouth has not
16 agreed to provide AT&T with real-time interactive electronic interfaces
17 to BellSouth's computerized operations support systems. Is this true?

18

19 A. No. BellSouth already has made available, or is actively developing --
20 on aggressive timelines -- numerous electronic operational interfaces,
21 many of which are real-time and interactive, specifically for use by
22 alternative local exchange companies (ALECs). These interfaces
23 support the ordering and provisioning, pre-ordering, maintenance and
24 repair, customer usage data transfer, and local account maintenance
25 activities of ALECs. As explained in detail on pages 23-48 of my direct

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testimony, these interfaces include the following:

- Electronic interface for ordering interconnection trunking and most unbundled elements -- available now;
- Electronic interface via electronic data interchange (EDI), being jointly developed with AT&T for ordering resold services and unbundled elements such as listings and ports -- scheduled for availability in September, 1996, for residence lines, business lines, PBX trunks and vertical services, with all other services scheduled for December, 1996;
- Electronic interface for pre-ordering information on serving central office and street address validation -- available now, with real-time, interactive enhancements scheduled for April, 1997;
- Electronic access to pre-ordering information on product and service availability by serving central office -- available now, with real-time, interactive, enhancements scheduled for April, 1997;
- Electronic transfer of telephone numbers reserved for ALECs available October, 1996, with real-time, interactive electronic access to telephone numbers scheduled for April, 1997;
- Electronic interface for real-time, interactive due date assignment scheduled for April, 1997;

- 1 • Electronic interface for maintenance and repair trouble
2 reports -- available now, with enhanced interactive
3 testing capability scheduled for April, 1997; and
4 • Electronic interface for customer usage data transfer --
5 available now, with an AT&T-requested modification
6 scheduled for September, 1996.

7
8 Mr. Shurter's assertion that BellSouth has not agreed to provide AT&T
9 with electronic interfaces is simply not true. BellSouth has expended
10 thousands of work hours and millions of dollars to provide the very
11 interfaces Mr. Shurter claims BellSouth has refused to provide. In fact,
12 in some cases, BellSouth either is jointly developing those interfaces
13 with AT&T, or has modified its initial designs specifically to
14 accommodate AT&T's requests.

15
16 Q. Mr. Carroll's testimony states on page 21 that BellSouth has been
17 unwilling to commit to implement electronic interfaces to AT&T by a
18 date certain. Is this true?

19
20 A. No. As discussed above, BellSouth has provided schedules for the
21 additional interfaces still under development. Furthermore, by the time
22 BellSouth began negotiations with AT&T, BellSouth already had the
23 electronic trouble reporting interface available, and completed its work
24 on the customer usage data transfer interface shortly thereafter. While
25 at the outset of negotiations, BellSouth was unable to provide AT&T

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1 with a date certain for every additional interface under evaluation, this
2 was the result of the unresolved issues addressed on pages 18-46 of
3 my direct testimony, rather than any inherent "unwillingness" on
4 BellSouth's part. The unresolved issues at that time included the lack
5 of industry standards for an ordering interface, the lack of a volume and
6 timing forecast from AT&T, the lack of agreement by AT&T on the cost
7 recovery issue addressed by Mr. Scheye, and most importantly, the
8 fact that firm commitments could only be made once the analysis and
9 design phase of development was complete.

10

11 Provision of the electronic interfaces requested by AT&T is a costly and
12 time-consuming effort, as detailed in the preliminary estimates
13 accompanying my direct testimony as Exhibit GC-1. The timelines to
14 provide those interfaces are driven by the complexities of this massive
15 undertaking. It would not have been prudent for BellSouth to agree
16 contractually to firm dates until the analysis and design phase of the
17 electronic interfaces was complete, and until the other issues had been
18 resolved.

19

20 As soon as the industry adopted the EDI interface as the standard for
21 resale ordering, and once AT&T finally provided preliminary forecast
22 information, BellSouth proceeded with the analysis and design phase
23 for the EDI ordering interface. The information obtained from the
24 analysis and design allowed BellSouth to provide a realistic schedule
25 based on the actual work to be done for this and other interfaces; that

1 schedule was summarized on the timeline filed with my direct testimony
2 as Exhibit GC-1.

3

4 While BellSouth is committed and stands ready to make the EDI
5 ordering interface available beginning in September, 1996, it is
6 important to realize that BellSouth cannot unilaterally place this
7 interface in production. The EDI ordering interface requires a joint
8 development and testing effort with the companies using the interface.
9 While BellSouth and AT&T have been operating on a schedule that
10 would make the first phase of the interface available in September,
11 1996, on August 29 AT&T advised BellSouth that AT&T was
12 considering renegotiating the previously agreed upon testing schedule
13 for the EDI interface. BellSouth, however, remains ready, willing and
14 able to continue with testing and full implementation of that interface as
15 originally scheduled.

16

17 Only detailed analysis and design work can provide a firm picture of the
18 ultimate cost of the various interfaces. In fact, as that work has
19 progressed, it has become clear that the initial cost estimates were
20 understated, perhaps by as much as half. These cost estimates will
21 continue to change until the final analysis, design, and implementation
22 work is complete. Furthermore, as addressed by Mr. Scheye, the cost
23 recovery issue is still outstanding.

24

25 Q On page 22 of his direct testimony, Mr. Carroll makes reference to a

1 Georgia Public Service Commission ("Georgia PSC" or "Georgia
2 Commission") order in Docket No. 6352-U, dated June 12, 1996, which
3 in part addressed operational interfaces. Mr. Carroll states his
4 understanding that "BellSouth has appealed this order which will delay
5 the time when AT&T can expect to have these interfaces available for
6 AT&T's offer of local services," and further, that "this significantly delays
7 [AT&T's] ability to compete effectively with BellSouth for Florida's
8 consumers. . ." Do you agree with Mr. Carroll's characterization?
9

10 A. Absolutely not. BellSouth had made substantial progress in providing
11 electronic interfaces even prior to the Georgia Commission's June 12
12 order. Furthermore, on July 11, 1996, the Georgia Commission
13 modified its June 12 order with regard to the time frames for
14 implementing operational interfaces. BellSouth therefore did not
15 include the timing of electronic interfaces in its appeal of that order, nor,
16 for that matter, did BellSouth request a stay pending the outcome of its
17 appeal. As AT&T well knows by virtue of its active participation in the
18 development process, BellSouth has proceeded on an aggressive
19 development schedule to provide additional interfaces. Furthermore, in
20 compliance with a subsequent Georgia order, on August 15, 1996
21 BellSouth filed with the Georgia Commission the first of its required
22 monthly reports detailing its ongoing and aggressive development
23 effort. Mr. Carroll's suggestion that appealing other non-operational
24 aspects of the Georgia Commission's order will delay the remaining
25 interfaces is simply not true.

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1 Ordering and Provisioning

2

3 Q. Mr. Carroll suggests on page 21 of his direct testimony that AT&T must
4 rely upon FAX transmission of its ordering data to BellSouth. Is this
5 true?

6

7 A. No. Mr. Carroll's allusion to "FAX transmission" is completely
8 inappropriate in light of the imminent availability of the electronic
9 ordering interface. AT&T, in fact, is co-developing the EDI ordering
10 interface with BellSouth, on a timeline that includes action items for
11 both companies. AT&T also is quite familiar with the existing
12 mechanized ordering processes for access services.

13

14 The reality is, for local interconnection trunking and most unbundled
15 elements, AT&T and other ALECs can use the existing electronic
16 interface that supports the ASR process, just as the interexchange
17 carriers do today. Furthermore, for resold services and certain
18 unbundled elements such as listings and interim number portability,
19 BellSouth, at AT&T's request, is developing an industry-sanctioned EDI
20 interface. That interface, which is being jointly developed with AT&T,
21 provides electronic order communications comparable to those for
22 access services. The first phase of that interface will support
23 residential service, business service, PBX trunk service, and vertical
24 services, and, if the current testing and implementation schedule is
25 maintained, will be available in September, 1996. The second phase of

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1 the EDI ordering interface, which will support ordering for complex
2 services as well, is currently scheduled for December, 1996.

3

4 Q. Mr. Carroll suggests on page 21 of his direct testimony that if
5 BellSouth's ordering interface is anything other than "real-time
6 communication", AT&T will be at a severe competitive disadvantage.
7 What is BellSouth's view?

8

9 A. As described on page 26 of my direct testimony, AT&T did not define
10 "real-time". Even if it had, however, AT&T offers no support for its
11 contention that the ordering interface must be real-time. In fact, in its
12 purported rationale, AT&T does not describe an order communications
13 scenario at all. Instead, AT&T merely uses the example of telephone
14 number assignment, which Mr. Shurter, on page eight of his direct
15 testimony, defines as pre-ordering information, and for which BellSouth
16 is actively developing a real-time interface scheduled for delivery in
17 April 1997.

18

19 An electronic interface is not necessarily real-time, nor need it be. For
20 example, daily billing data will be sent in batch files, meaning that the
21 data are collected for transmission at pre-determined times, which is
22 perfectly acceptable for such an application. The existing mechanized
23 process that supports access ordering also operates in a batch mode.

24

25 Q. Are BellSouth's ordering arrangements consistent with Mr. Shurter's

1 definition of ordering and provisioning?

2

3 A. Yes. The key point here is that the same service ordering process will
4 drive the same provisioning processes and update the same databases
5 in the same timeframes for both ALECs' customers and BellSouth's
6 end user customers. Mr. Shurter, on pages eight and nine of his direct
7 testimony, describes ordering and provisioning as the means by which
8 a carrier initiates an order and establishes service, including such
9 things as installation, updating of directory listings, updating the 911
10 data base, and monitoring the status of service orders. These activities
11 are driven by BellSouth's normal service order flow, which will be the
12 same for ALECs' end user orders as for BellSouth's end user customer
13 orders. For resale this process begins with electronic receipt of the
14 local service request via the EDI ordering interface, or at the ALEC's
15 discretion, via FAX. The EDI interface also will provide to the ALEC
16 service order status information in the form of a firm order confirmation
17 and completion information. In addition, the electronic EDI ordering
18 interface will support change order activity for local account
19 maintenance. A separate interface is not required.

20

21 Pre-Ordering Information

22

23 Q. On page 21 of his testimony, Mr. Carroll states that under BST's plan,
24 AT&T must wait to give the customer its new phone number and the
25 date of installation until BellSouth responds to a fax message from

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1 AT&T. Is that true?

2

3 A. No. First, the so-called "fax message" to which Mr. Carroll alludes will
4 be the local service request, which AT&T actually will transmit to
5 BellSouth electronically, via the EDI ordering interface, beginning in
6 September, 1996. In addition, BellSouth's current pre-ordering
7 arrangements have made it possible for AT&T to assign most
8 telephone numbers from a pool of numbers, reserved for and provided
9 in advance to, AT&T and any other requesting ALEC. As described on
10 pages 37 through 39 of my direct testimony, this information is now
11 available via computer diskette, will be enhanced in October of 1996 to
12 include the capability for mechanized file transfer, and will be further
13 enhanced in April, 1997 with real-time access to telephone number
14 reservation information. Even today, AT&T can load the reserved
15 telephone number information into its own computer system, and thus
16 can interactively assign telephone numbers from this pool, with its
17 customer on the line, without consulting BellSouth by fax, telephone or
18 any other means.

19

20 BellSouth also has provided interim access to installation intervals
21 through due date guidelines developed by BellSouth. This information
22 can be used by AT&T to quote a due date with its customer on-line,
23 without consulting BellSouth.

24

25 Furthermore, as indicated by the situation Mr. Carroll describes on

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1 page 21 of his direct testimony, pre-ordering information is most
2 relevant to "new" customers, i.e., those without existing telephone
3 service. Pre-ordering information is not required for any existing
4 customers who already have telephone numbers and installed service,
5 and who simply choose to switch local service providers without
6 otherwise changing their service. For these customers, BellSouth will
7 simply change its billing records to transfer service to the ALEC.
8 BellSouth will process these service requests as expeditiously as
9 possible, and in all instances, the change will be effective on the date
10 requested by the ALEC, either via the due date of the order, or the
11 utilization of an effective billing date.

12

13 Q. For new service or changes to existing service, is BellSouth working
14 aggressively to provide a real-time, interactive pre-ordering interface?

15

16 A. Yes. While the interim pre-ordering interface includes a combination of
17 electronic and other methods, BellSouth is aggressively developing an
18 interactive pre-ordering interface for delivery by April, 1997. That interface
19 will provide interactive access to the following information:

- 20 • Serving central office information
21 • Street address validation
22 • Whether facilities are connected through to that location
23 • Product and service availability and serving interexchange carriers
24 for each central office
25 • Telephone number assignment

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1 • Due date availability

2

3 These capabilities were described in detail in on pages 35-42 of my direct
4 testimony, and are summarized on Exhibit GC-4 filed with that testimony.

5

6 Q. Mr. Shurter states, on page eight of his direct testimony, that interactive
7 access would enable AT&T personnel to assign a "vanity" telephone
8 number to a customer or schedule the earliest available installation
9 appointment with the customer on-line instead of through multiple
10 telephone calls. Has BellSouth addressed these scenarios?

11

12 A. Yes. As discussed above and on pages 35-42 of my direct testimony,
13 BellSouth has gone to great lengths to design and is now in the
14 process of developing a real-time interactive pre-ordering system that
15 will allow assignment of a "vanity" number and a due date with the
16 customer on-line. This interface will be available in April of 1997.

17

18 Q. Is BellSouth's pre-ordering interface consistent with Mr. Shurter's
19 definition of pre-ordering information?

20

21 A. Yes, with only one difference. In describing pre-ordering systems on
22 page eight of his direct testimony, Mr. Shurter indicates his desire that
23 pre-ordering information include current customer service records.
24 BellSouth does not agree that pre-ordering information includes
25 existing customer service records. BellSouth will provide information

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1 that allows an ALEC to determine the availability of features and
2 services, validate a street address for service order purposes, assign a
3 telephone number when necessary, and advise the customer of a due
4 date. However, BellSouth believes it is not appropriate to provide an
5 ALEC with access to the existing customer service record of
6 BellSouth's customers, or of any other ALEC's customers, during the
7 pre-sale phase of order negotiations.

8

9 Q. What are BellSouth's reasons for not providing this information to an
10 ALEC prior to their issuing an order to switch the customer?

11

12 A. The current customer service record contains proprietary information
13 on BellSouth's or other ALECs' relationships with end user customers.
14 AT&T is free to initiate its marketing effort by simply asking those
15 customers which services they wish to receive, or which services they
16 already purchase. However, just as BellSouth has taken steps to
17 restrict the ALECs' records from BellSouth's end user marketing
18 centers, it is appropriate to protect the customer records of one
19 company from other companies. Providing AT&T or any other ALEC
20 with direct access to the current service records of any customer the
21 ALEC chooses to target would not be appropriate.

22

23 It would not be reasonable to require BellSouth to provide such
24 information on a pre-sale basis for either its customers or any other
25 ALEC's customers. Providing electronic access to this information

1 would allow AT&T or any ALEC to browse BellSouth's databases for
2 marketing purposes.

3

4 Q. Does AT&T need this information in order to compete effectively for
5 existing customers of BellSouth or another ALEC?

6

7 A. No. It is highly unlikely that customers will expect a new competitor to
8 already have access to all the details of their existing service. It is
9 more likely, in fact, that customers would consider such access an
10 invasion of their privacy. By way of analogy, if I were contacted by a
11 lender offering to refinance my home mortgage, I would not expect that
12 lender to already know the details of my existing loan, such as my
13 payoff amount, current interest rate and amortization schedule, prior to
14 -- or during -- the initial contact. I would expect to either provide that
15 information myself, or to have the new lender get my permission to
16 obtain the information from my current mortgage company.

17

18 The same situation exists with competitive telephone services.
19 BellSouth's pre-ordering interface will provide information on what
20 services are available to a customer. It is up to AT&T or any ALEC to
21 determine which services and features are desired by the customer and
22 convince them to switch local exchange companies. In addition,
23 BellSouth will provide via its EDI ordering interface a firm order
24 confirmation and completion notification. The ALEC can utilize this
25 data to build its own customer database for its new customers.

1 Q. Will BellSouth ever provide the customer service record data to AT&T?

2

3 A. Yes, under some circumstances. If the customer wants AT&T or any
4 other ALEC to obtain his/her existing customer service records to assist
5 the customer in the decision to switch local service providers, then the
6 end user can authorize that release. Otherwise, BellSouth will provide
7 the customer's records only after the customer has actually switched to
8 the ALEC.

9

10 Maintenance and Repair

11

12 Q. Is BellSouth's electronic interface for trouble reporting consistent with
13 Mr. Shurter's definition of the required interface for these functions?

14

15 A. Yes. On page nine of his direct testimony, Mr. Shurter defines
16 maintenance and repair as the means by which a carrier arranges for
17 responses to service requests from customers. BellSouth has available
18 today a fully electronic, real-time, interactive trouble reporting interface
19 for use by ALECs, which was described in detail on pages 42-45 of my
20 direct testimony. This interface allows the ALEC to enter a trouble
21 report, obtain the same appointment interval as if the ALEC's customer
22 were a BellSouth end user customer, subsequently add information to
23 the report itself, check for trouble completion, cancel the trouble report
24 if necessary and perform other trouble administration functions. In
25 response to troubles reported via the gateway, BellSouth will test and

1 initiate repair to the service.

2

3 As further described in my direct testimony, this interface was
4 implemented by BellSouth in 1995 for access services, at AT&T's
5 request. This interface is based on national standards published by the
6 American National Standards Institute (ANSI) and was implemented in
7 accordance with industry guidelines.

8

9 In addition, at AT&T's request, BellSouth has under development an
10 enhancement that will provide ALECs with access to the same
11 interactive testing capabilities BellSouth uses to screen POTS trouble
12 reports. This enhancement is scheduled for completion in March of
13 1997.

14

15 Customer Usage Data Transfer

16

17 Q. Is the customer usage data interface currently available from BellSouth
18 consistent with the interface described by Mr. Shurter as necessary for
19 this purpose?

20

21 A. Yes. Mr. Shurter, on page nine of his direct testimony, defines
22 customer usage data transfer as the means by which the customer's
23 usage data are collected and transmitted by a carrier for billing
24 purposes. BellSouth already has the capability to provide electronically
25 billable customer usage detail to ALECs. This option provides detail for

1 billable usage, such as directory assistance or toll calls associated with
2 a resold line or a ported telephone number. The usage option allows
3 the ALEC to bill end users at their discretion, rather than on BellSouth's
4 billing cycles. This option also allows an ALEC to establish toll limits,
5 detect fraudulent calling, or analyze its customer usage patterns for
6 other appropriate purposes.

7
8 As described in my direct testimony, BellSouth made this interface
9 available on March 31, 1996, in anticipation of ALECs' requests for this
10 option. In addition, BellSouth now has modified its original design
11 specifically to accommodate AT&T; that modification will be completed
12 in September of 1996.

13
14 Q. On pages 10-11 of Mr. Shurter's direct testimony, AT&T cites its
15 dissatisfaction with the arrangements it encountered in its Rochester
16 Telephone Company ("Rochester") resale trial as an example of the
17 effect on competition when AT&T is denied electronic interfaces with
18 operations support systems. How do BellSouth's arrangements
19 compare with those employed by Rochester?

20
21 A. First, the comparison is completely inappropriate because, unlike
22 Rochester, BellSouth has many mechanized processes available to
23 support resellers, and is working aggressively to provide others.
24 However, given that BellSouth must accommodate all ALECs, not just
25 those with the vast resources of AT&T, BellSouth also offers manual

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1 methods, described on pages 17-18 of my direct testimony, that make
2 the process as easy as possible for resellers. As described by Mr.
3 Shurter, in Rochester, AT&T was required to complete and fax a multi-
4 page form for every individual customer who wanted to switch service.
5 BellSouth's arrangements, however, are designed to be transparent to
6 the end user and easy for the reseller. For example, to switch an
7 existing customer, BellSouth's form requires only three items of
8 information: the customer's name, telephone number, and a simple
9 checkmark on the order form to indicate that all services should be
10 switched "as is". Also, the resale order forms are available on
11 computer diskette, which enables resellers with personal computers
12 (PCs) to fax the forms directly from their PCs to the LCSC.

13

14 Finally, while Mr. Shurter acknowledges on page 11 of his direct
15 testimony that BellSouth's PC to FAX process is "somewhat better"
16 than the manual FAX process put in place by Rochester, his attempt to
17 depict a scenario filled with "bottlenecks" and "inaccuracies" simply
18 does not reflect reality. Mr. Shurter neglects to mention the fact that
19 BellSouth is jointly developing an industry-sanctioned electronic EDI
20 ordering interface requested by AT&T.

21

22 Q. On page 11 of his direct testimony, Mr. Shurter requests that the
23 Commission order BellSouth to provide electronic interfaces as soon as
24 possible. Is BellSouth's current effort consistent with this request?

25

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1 A. Yes. As detailed throughout my testimony, BellSouth has many
2 electronic interfaces already available, and will be providing others as
3 quickly as the complexities of the development effort will permit.

4
5 Q. As a result of the most recent issue identification meeting, held on
6 August 20, 1996, have any issues been rewritten that now require
7 additional testimony to be provided?

8
9 A. Yes. The question concerning whether BellSouth should adhere to
10 industry billing standards when rendering bills to ALECs has been
11 revised to read, "What billing system and what format should be used
12 to render bills to AT&T for services and elements purchased from
13 BellSouth?" BellSouth believes that AT&T's objective is to force
14 BellSouth to render bills for resold services via the Carrier Access
15 Billing System (CABS) in the Standard AT&T Billing Requirements
16 (SABR) format. This is completely inappropriate.

17
18 As described on pages 48-49 of my direct testimony, the CABS billing
19 system is designed to render bills for access services. CABS bills do
20 not include the line level detail associated with resold exchange lines.
21 The billing system that supports those services is the Customer Record
22 Information System (CRIS). BellSouth believes that AT&T is
23 expressing a preference for CABS billing based on its familiarity with
24 CABS billing in the interexchange world. AT&T further prefers CABS
25 because AT&T's SABR requirements, which facilitate AT&T's billing

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1 control practices, are CABS-based requirements.

2

3 However, the CRIS billing system already contains the necessary
4 infrastructure to provide the line level detail associated with resold
5 services, and also is subject to BellSouth's internal quality controls.

6 The CABS system is not designed for this task; without extensive and
7 potentially costly modifications, it would not even be capable of
8 accomplishing the desired outcome.

9

10 Q. Please summarize your testimony.

11

12 A. Mr. Shurter's assertion that BellSouth has not agreed to provide AT&T
13 with electronic interfaces is simply not true. BellSouth has expended
14 thousands of work hours and millions of dollars to provide the very
15 interfaces Mr. Shurter claims BellSouth has not agreed to provide. Mr.
16 Carroll misrepresents BellSouth's appeal of the Georgia PSC's resale
17 order. Because of BellSouth's substantial progress in providing
18 extensive electronic interfaces in advance of that order, BellSouth
19 neither appealed the timing of electronic interfaces, nor sought a stay
20 of that order. Therefore, Mr. Carroll's contention that BellSouth's
21 appeal would delay the availability of electronic interfaces, is just not
22 true. BellSouth, meanwhile, already has made extensive interfaces
23 available, and has others imminent, while still others are being
24 developed on a schedule as aggressive as the complexity of the
25 development effort will permit. BellSouth's comprehensive efforts to
provide these interfaces demonstrate the strength of BellSouth's

1 commitment to accommodating the local market entry of AT&T as well
2 as all other ALECs.

3

4 Q. Does this conclude your testimony?

5

6 A. Yes.

7

8

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BELLSOUTH TELECOMMUNICATIONS, INC.
REBUTTAL TESTIMONY OF GLORIA CALHOUN
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 960846-TP
SEPTEMBER 16, 1996

Q. Please state your name, address and position with BellSouth Telecommunications, Inc. ("BellSouth").

A. My name is Gloria Calhoun. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375. I am a Manager in the Strategic Management Unit.

Q. Are you the same Gloria Calhoun who previously filed direct testimony in this proceeding?

A. Yes.

Q. What is the purpose of your testimony?

A. I will address issues in the direct testimony of MCI with respect to operational interfaces between BellSouth and Alternate Local Exchange Companies (ALECs) in the following areas:

- Pre-ordering Interfaces

- 1 • Ordering and Provisioning Interfaces
- 2 • Trouble Reporting Interfaces
- 3 • Billing Interfaces
- 4 • Numerous Operational Support System Databases, including
- 5 Directory Assistance, Operator Services and 911/E911

6

7 I will show that BellSouth has been extremely accommodating in

8 providing operational interfaces that are: (1) consistent with the

9 Federal Communications Commission's First Report and Order in CC

10 Docket No. 96-98 ("FCC Order"); (2) appropriate for the market; and,

11 (3) consistent with available industry standards. Many of these

12 interfaces already are available, and, as demonstrated in my direct

13 testimony, BellSouth has implemented a very aggressive schedule to

14 provide additional electronic interfaces. BellSouth will deliver additional

15 interfaces by January 1, 1997, and has scheduled implementation of

16 still additional interfaces or enhancements by April 1, 1997.

17

18 Q. Mr. Martinez and Mr. Price refer to many sections of the FCC Order

19 when discussing the need for electronic operational interfaces. Are

20 BellSouth's plans for the implementation of electronic interfaces for

21 ALEC ordering and provisioning, pre-ordering, trouble reporting, and

22 billing data consistent with the requirements of the FCC Order?

23

24 A. Yes. BellSouth's electronic interfaces are in overall compliance with

25 the precepts described in the FCC Order. However, BellSouth believes

1 the FCC's requirement to provide electronic access to all operational
2 support functionality by January 1, 1997 is an unrealistic date, and will
3 address that matter with the FCC. As noted earlier, on its current
4 schedule, which is already very aggressive, BellSouth will complete its
5 implementation by April 1, 1997. The implementation timeline for each
6 electronic interface is based on the complexity of the requirements
7 associated with that specific functionality. From the analysis and
8 design phase of system development, BellSouth has provided a
9 realistic, firm schedule based on the actual work to be done.

10

11 Q. What guidance did the FCC offer with regard to industry standards?

12

13 A. As cited by Mr. Martinez, the FCC Order, at paragraph 527, states that,
14 "Ideally, each incumbent LEC would provide access to support systems
15 through a nationally standardized gateway. Such national standards
16 would eliminate the need for new entrants to develop multiple interface
17 systems, one for each incumbent."

18

19 Q. Is that consistent with BellSouth's position with regard to national
20 standards?

21

22 A. Yes. BellSouth's emphasis on industry standards is in complete
23 agreement with the FCC's intent. As addressed in my direct testimony,
24 BellSouth's facilities-based ordering arrangements use the industry-
25 standard Access Service Request (ASR) process. BellSouth's

1 Electronic Data Interchange (EDI) resale ordering interface is also
2 consistent with the standard adopted by the industry's Ordering and
3 Billing Forum (OBF) for resale order communications.

4

5 Pre-Ordering Interfaces

6

7 Q. In Mr. Price's testimony and in section II, page 5 of the proposed
8 interconnection agreement attached to MCI's petition, MCI describes
9 pre-ordering as on-line access to all information needed to verify
10 availability of services and features, scheduling of service installation,
11 and number assignment. Does BellSouth agree with this definition?

12

13 A. Yes. As described in my direct testimony, BellSouth's electronic pre-
14 ordering interface will allow a reseller to determine, on a real-time
15 basis, the availability of features and services, assign a telephone
16 number, advise the customer of a due date, and validate a street
17 address for service order purposes.

18

19 Q. Does MCI provide different definitions of pre-ordering elsewhere in its
20 petition and testimony?

21

22 A. Yes. In Mr. Martinez's testimony, pre-ordering and ordering processes
23 involve the exchange of information between LECs about current or
24 proposed customer products and services, or unbundled network
25 elements, or some combination. BellSouth does not agree that pre-

1 ordering information includes the existing customer service record for
2 BellSouth's existing customers prior to the ALEC's ordering service for
3 the customer. This was described in detail in my direct testimony.

4

5 Q. In describing pre-ordering systems on page one of Appendix 1 to the
6 proposed interconnection agreement attached to MCI's petition,
7 "Customer Provisioning, Billing and Servicing Standards Necessary for
8 Local Service Competition" ("Appendix 1"), MCI indicates its desire that
9 pre-ordering information include disclosure of unpaid closed account
10 information (e.g. debtors). Does BellSouth agree that credit history
11 should be included with pre-ordering information?

12

13 A. No. BellSouth does not agree that pre-ordering information includes
14 existing credit history. For pre-ordering, BellSouth will provide
15 information that allows an ALEC to determine the availability of features
16 and services, validate a street address for service order purposes,
17 assign a telephone number when necessary, and advise the customer
18 of a due date. However, BellSouth believes it is not appropriate to
19 provide an ALEC with access to the existing credit history of
20 BellSouth's customers. It also appears to me that Section 364.24 (2),
21 Florida Statutes, as described in my direct testimony, would prevent
22 BellSouth from doing what MCI is requesting.

23

24 Q. In describing pre-ordering systems on page one of Appendix 1 of the
25 proposed interconnection agreement attached to MCI's petition, MCI

1 indicates its desire that pre-ordering information include interfaces to
2 systems created to track and assign unbundled elements to customers.
3 Does BellSouth agree?

4
5 A. No. Again, as BellSouth understands it, this request refers to the
6 customer service record information contained in BellSouth's billing
7 systems. This information should not be disclosed for the reasons
8 discussed previously in this testimony, as well as in my direct
9 testimony.

10
11 Q. In describing pre-ordering systems on page one of Appendix 1 to the
12 proposed interconnection agreement attached to MCI's petition, MCI
13 indicates its desire that pre-ordering information include interfaces to
14 systems that support the interim RCF number portability solution. Does
15 BellSouth agree?

16
17 A. No. There is no such interface, nor is one logical. In the case of
18 interim number portability, there is no need for the ALEC to perform the
19 pre-ordering function of telephone number assignment. The point of
20 interim number portability is to allow a customer to retain a telephone
21 number previously assigned to that customer.

22
23 Q. In describing pre-ordering systems on page one of Appendix 1 to the
24 proposed interconnection agreement attached to MCI's petition, MCI
25 indicates its desire that pre-ordering information include interfaces to

1 systems that provide the list of interexchange carrier (IXC)
2 presubscribed interexchange carrier (PIC) choices. Has BellSouth
3 agreed to provide this information in its pre-ordering interface?
4

5 A. Yes. Access through a data transmission line to a data file containing
6 service and feature availability for each serving central office is
7 currently available to ALECs. This data includes a list of valid IXC PIC
8 choices. In addition, BellSouth is providing on-line, real-time access to
9 information in its products and services database via the pre-ordering
10 interface scheduled for delivery by April 1, 1997. This is equivalent to
11 the information available to BellSouth service representatives.
12

13 Q. Are there any other differences in MCI's and BellSouth's pre-ordering
14 definitions?
15

16 A. Yes. MCI indicates its belief, on page 14 of the proposed
17 interconnection agreement attached to its petition, that information
18 about service and feature availability for each switch should include
19 business and residence line counts and rate centers. While BellSouth
20 is providing most of the information requested by MCI, BellSouth does
21 not agree that business and residence line counts are part of pre-
22 ordering information. This information is not currently captured by
23 BellSouth, and therefore is not used by BellSouth service
24 representatives. Even if it were, however, BellSouth does not believe
25 that this information is consistent with the purpose of pre-ordering

1 information, as it has no bearing on negotiating an order with an end
2 user customer.

3

4 Q. MCI requests that BellSouth provide an initial electronic copy and hard
5 copy of the service address guide (SAG), or its equivalent, on a going
6 forward basis. Does BellSouth's pre-ordering interface provide for this
7 request?

8

9 A. Yes. The capability currently exists for ALECs to access this
10 information electronically, either on a Local Area Network (LAN) to LAN
11 basis, or via a dial-up arrangement. In addition, the street address
12 validation portion of the April 1, 1997 pre-ordering interface will allow
13 on-line, real-time electronic access to this information, which is included
14 in BellSouth's Regional Street Address Guide (RSAG). However,
15 BellSouth has not agreed to provide a hard copy of its RSAG data for
16 the following reasons: (1) there is no programming in place to print a
17 formatted copy; (2) a printed copy, even if one were available, would
18 be incredibly voluminous; (3) electronic access currently is available;
19 and, (4) a hard copy is not currently available to BellSouth service
20 representatives.

21

22 Q. Both in Mr. Martinez's testimony on page 16 and in numerous cites in
23 the proposed interconnection agreement (e.g., page 6, section II)
24 attached to MCI's petition, MCI requests that BellSouth provide the
25 ability to obtain telephone numbers on-line from the ILEC, and to

1 assign these numbers, including vanity numbers, with the customer on-
2 line. Does BellSouth's pre-ordering interface accommodate this
3 request?

4
5 A. Yes. As described in my AT&T direct testimony on page 39, the pre-
6 ordering interface under development and scheduled for delivery on
7 April 1, 1997, will provide on-line, real-time electronic access to the
8 BellSouth number assignment system. This will replace the interim
9 process available now, which provides a computer diskette file
10 containing a pool of telephone numbers reserved for the ALEC in each
11 central office requested by the ALEC. Even the interim process allows
12 an ALEC to assign most telephone numbers with the customer on-line,
13 without consulting BellSouth. The April 1, 1997 enhancement will
14 support the assignment of all numbers, including vanity numbers.

15
16 Q. In Mr. Martinez's testimony on page 15 and in section XIV, page 6 of
17 the proposed interconnection agreement attached to MCI's petition,
18 MCI asserts that the ILEC must identify service, feature and product
19 availability for all products at end office level or at a finer level of
20 granularity if availability varies at such a level. Specific examples
21 include, but are not limited to, Centrex availability. Has BellSouth
22 accommodated this request?

23
24 A. Yes. This information is currently available for each serving central
25 office via electronic file transfer. This information will also be part of the

1 on-line, real-time pre-ordering interface to BellSouth's features and
2 services database scheduled for implementation by April 1, 1997.

3

4 Ordering and Provisioning Interfaces

5

6 Q. In Mr. Martinez's testimony on page 10, as well as throughout MCI's
7 proposed interconnection agreement attached to its petition (e.g.,
8 Section I, page 8, paragraph 6.1.2), MCI cites the need for BellSouth to
9 provide electronic ordering interfaces. Please describe BellSouth's
10 ordering interfaces.

11

12 A. As described in my AT&T direct testimony on pages 5-6, BellSouth will
13 use the existing mechanized Access Service Request (ASR) process
14 for ordering interconnection trunking and unbundled elements such as
15 unbundled loops, local transport, collocation, and tandem switching.
16 This system, called EXACT (Exchange Access Control and Tracking),
17 was put into place in 1984 to provide mechanized order
18 communications between BellSouth and IXCs, and operates in
19 accordance with national industry standards. Those standards were
20 developed by the telecommunications industry's standard-setting body,
21 the Ordering and Billing Forum (OBF). The OBF has endorsed the
22 ASR method for processing local interconnection trunking orders.

23

24 BellSouth also is developing an OBF-sanctioned Electronic Data
25 Interchange (EDI) interface that can support ordering of resold

1 services, and certain unbundled elements, such as listings, that are not
2 supported by the ASR process. This interface was fully described in
3 my direct testimony, and is scheduled to be available for the first
4 production site prior to January 1, 1997.

5

6 Q. Will these interfaces meet MCI's ordering needs?

7

8 A. Yes. The ASR process is an industry-standard process, and as such
9 meets MCI's requests for Firm Order Confirmation (FOC), and rejection
10 or error notification. However, other information requested by MCI,
11 such as notification of special construction charges, is not supported by
12 the industry-standard process, and will be handled in the same manner
13 as for access services, i.e., the appropriate BellSouth work center will
14 advise the MCI ordering contact of any pertinent information as it
15 becomes available. This is equivalent to the manner in which
16 BellSouth service representatives would obtain such information.

17

18 EDI also is recognized by the industry as the standard for resale
19 ordering, and MCI is very much in favor of complying with industry
20 standards. In fact, MCI, in supporting its emphasis on standardized
21 interfaces, on page eight of Mr. Martinez's direct testimony states that,
22 "ILECs that provide unique interfaces to their databases and operations
23 support systems do not meet the requirement to provide access of
24 equal quality to operations support systems." Mr. Martinez further cites
25 the FCC Order, at paragraph 527, which states that, "Ideally, each

1 incumbent LEC would provide access to support systems through a
2 nationally standardized gateway.” BellSouth’s EDI ordering interface is
3 consistent with MCI’s request, with emerging industry standards for
4 resale, and with the FCC Order.

5

6 Q. MCI asserts, on page 3 of Appendix 1 to the proposed interconnection
7 agreement attached to MCI’s petition, that BellSouth must provide
8 exception reporting which highlights missed service installations. Does
9 BellSouth plan to provide this type of reporting?

10

11 A. No. ALECs will be provided with a Firm Order Confirmation (FOC) ,
12 which includes the due date of the order. ALECs also will receive
13 notification of completions. Therefore, an ALEC can combine these
14 two items of information to create exception reports.

15

16 Q. Both Mr. Martinez’s testimony and MCI’s petition on pages 8-9, section
17 I of the proposed interconnection agreement, address MCI’s request for
18 dedicated BellSouth carrier centers, available 7 days a week, 24 hours
19 a day. What is BellSouth’s position?

20

21 A. BellSouth currently has in operation maintenance service centers for
22 interconnection services, business, and residence trouble handling.
23 These centers operate 24 hours a day, 7 days a week. BellSouth
24 disagrees that separate centers should be dedicated to individual

25

1 ALECs. The existing centers will handle repair for ALECs, as well as
2 BellSouth end users, in the same manner and the same timeframes.

3

4 The ordering centers supporting ALECs were described in my direct
5 testimony. Local interconnection and resale orders will be processed in
6 the Interexchange Carrier Service Center (ICSC) and Local Carrier
7 Service Center (LCSC), respectively. Both centers currently operate
8 during standard business hours. However, because both centers will
9 be supported by the electronic order interfaces described in my direct
10 testimony, BellSouth can accept orders 24 hours per day, 7 days per
11 week, but will process those orders during the centers' normal hours of
12 operation. This is consistent with access ordering today. In the
13 absence of reliable forecast information that would indicate otherwise,
14 BellSouth believes this is a reasonable arrangement. However,
15 BellSouth has agreed to re-evaluate the operations of these centers, if
16 warranted by service order volumes.

17

18 Q. On page 4, section IV of the proposed interconnection agreement
19 attached to MCI's petition, MCI requests that automated interfaces be
20 provided by BellSouth into a centralized operations support system
21 database for completion confirmation. Will BellSouth have an interface
22 to provide completion information?

23

24 A. Completion notification will be provided via the EDI ordering interface.

25

1 Q. MCI further asserts that installation intervals must be established to
2 ensure that service can be established via unbundled loops in the
3 same timeframe as BellSouth provides services to its own customers,
4 as measured from the date of customer order to date of customer
5 delivery. Can this be accomplished?

6
7 A. Yes, this can be accomplished as long as both services are alike. This
8 issue was previously addressed before the Florida Public Service
9 Commission ("FPSC" or "Commission") in connection with a similar
10 request from MFS in response to Order No. PSC 96-0444-FOF-TP in
11 Docket No. 950984-TP. In response to that order, BellSouth filed a
12 report on May 28, 1996, a copy of which is attached to this testimony
13 as Exhibit GC-1. That report explained the provisioning process for
14 unbundled loops, and also explained why the provisioning activities for
15 unbundled loops could be very different from the provisioning activities
16 for a bundled exchange service.

17
18 BellSouth has developed procedures to convert existing loops
19 wherever possible to an unbundled loop without complete re-
20 provisioning. For the most part, and whenever possible, existing
21 facilities will be re-used, with the existing loop being redirected to the
22 ALEC facilities. The ALEC will notify BellSouth to issue a disconnect
23 order to free the loop, and a new connect order for the unbundled loop.
24 BellSouth will need to schedule a BellSouth technician to do the
25 physical disconnection and cross connection of the loop to the ALEC's

1 loop transport facilities, in addition to coordinating and scheduling such
2 cross connection with MCI or other respective ALEC.

3

4 The manual coordination involved in this process, the required
5 scheduling of physical work to redirect the loop, the re-provisioning
6 requirements when Subscriber Loop Carrier system facilities are
7 involved, and the coordination with the ALEC are different from the
8 provisioning requirements of a bundled exchange service. Conversions
9 of bundled services where facilities are already connected sometimes
10 can be simply activated through a mechanized process and can be
11 done on short notice. On the other hand, orders for bundled service
12 where facilities are not available may require more time than a
13 coordinated conversion of an unbundled loop. Installation for retail
14 bundled services will vary depending upon the unique circumstances of
15 the request. The interval for provisioning a bundled single line
16 residence or business line will typically vary from one to five days,
17 depending upon factors such as the availability of facilities, whether
18 those facilities are already connected through to the central office, work
19 load, scheduling of forces in particular offices and many other factors.

20

21 For these reasons, BellSouth cannot guarantee that provisioning for
22 conversions of unbundled loops will occur in precisely the same time
23 interval as provided for a bundled service, because the provisioning of
24 an unbundled loop requires additional procedures, as well as
25 coordination with the ALEC, that are not applicable to bundled services.

1 It is, however, BellSouth's intent to establish intervals for unbundled
2 loops on a "Customer Desired Due Date" (CDDD) basis.

3

4 Q. Please describe BellSouth's Customer Desired Due Date process.

5

6 A. Under the CDDD process, BellSouth will provide service on the
7 requested due date or, if the requested date cannot be met, on the
8 earliest available installation date thereafter. Every effort will be made
9 to meet an end user's, or an ALEC's, requested due date if one is
10 provided. The due date is impacted by work load, features and
11 services requested and equipment availability. These items can only
12 be determined when the order is processed. By applying CDDD
13 guidelines to ALECs' requests for unbundled loops, BellSouth is
14 committed to working with ALECs to meet their individual needs. It is
15 BellSouth's intention to give ALECs' orders for unbundled elements
16 when converting existing service or provisioning new loops the same
17 priority it gives its end user orders, and to establish similar intervals for
18 similar services in similar circumstances.

19

20 911 and E911 Interfaces

21 Q. In Mr. Price's additional direct testimony on page 23-24 and on page 1,
22 section VII (911) , paragraph 1.3 of the proposed interconnection
23 agreement attached to MCI's petition, MCI requests an automated
24 interface to the Automatic Location Identification (ALI) database and
25 access to the MSAG (Master Street Address Guide), any mechanized

1 systems used in the editing process, and any other systems and
2 processes used in populating the 911 ALI (Automatic Location
3 Identification) database. Has BellSouth agreed to provide this?
4

5 A. Yes. Three databases are required to provide the E911 data for
6 display at the PSAP.

- 7 • Master Street Address Guide (MSAG)
- 8 • Telephone Number (TN) Database
- 9 • Network Tandem Information (TN/ESN)

10 BellSouth has arranged for access to all three databases. Upon
11 request, the MSAG will be sent quarterly to the ALEC. The network
12 information files in the Interim Regional Emergency Information System
13 (IREIS) database are used to update both the telephone number and
14 tandem databases. ALECs will send daily updates for E911 to the
15 IREIS database via mechanized file transfer. The procedures for doing
16 so are specified in the E911 LOCAL EXCHANGE CARRIER GUIDE
17 FOR FACILITY-BASED PROVIDERS that BellSouth has prepared for
18 use by ALECs. Given the critical nature of E911 services, BellSouth
19 will continue to cooperate to the fullest extent to ensure the continued
20 integrity of this system in a multi-local exchange carrier environment.

21

22 Q. On page 2, section VII, paragraph 1.8 and 1.9 of the “proposed
23 interconnection agreement” attached to MCI’s petition, MCI asserts that
24 ILECs must adopt National Emergency Number Association (NENA)
25 standards for ALI records. Does BellSouth agree?

1

2 A. No. This question previously was addressed in BellSouth's response to
3 Order No. PSC-96-0445-FOF-TP in Docket No. 950985-TP. As
4 explained in that report, BellSouth established database and data
5 exchange standards prior to the development of NENA standards.
6 BellSouth standards were established to meet the needs and
7 accommodate the equipment constraints of BellSouth's E911
8 customers and public safety answering points (PSAPs), and also are
9 used by each of the independent companies that provide data to the
10 BellSouth E911 database. Therefore, adopting a different format would
11 be disruptive to the existing users of the E911 systems. BellSouth's
12 format also exceeds the NENA standard in that BellSouth proactively
13 added the capability to accept and display dual telephone numbers to
14 eliminate any possible confusion in handling E911 calls involving
15 interim number portability. NENA is actively working to include dual
16 numbers in standards, but has not yet issued new standards.
17 Nonetheless, the BellSouth standard data exchange format contains all
18 fields currently available in the ALI data stream and made available to
19 the PSAP for display. BellSouth will continue to participate in NENA
20 standards committees and evaluate future data needs. In fact,
21 BellSouth chairs the NENA Study Group that is developing the first
22 standard ALI data stream. Migration to NENA data exchange
23 standards will be considered as PSAP requirements dictate.

24

25 Maintenance and Trouble Reporting Interfaces

1

2 Q. In Mr. Martinez's testimony on page 13, he defines maintenance and
3 repair as the exchange of information between LECs in which one
4 initiates a request for repair of existing products and services or
5 unbundled network elements (or combinations) from the other, with
6 attendant acknowledgments and status reports. Does BellSouth's
7 electronic interface for trouble reporting meet this definition?

8

9 A. Yes. As described in my direct testimony, BellSouth has a fully
10 electronic, real-time, interactive trouble reporting interface currently
11 available for use by ALECs. This interface allows the ALEC to create a
12 trouble ticket, add information to the ticket, status the trouble and
13 cancel the trouble ticket. This electronic interface can be used for
14 monitoring troubles with unbundled loops and interconnection trunking.
15 This interface is based on national standards developed by the
16 American National Standards Institute (ANSI) T1M1.5 Committee.

17

18 In addition, BellSouth has under development an enhancement that will
19 provide ALECs with access to the same interactive testing capabilities
20 BellSouth uses to screen trouble reports. That enhancement also was
21 described in my direct testimony.

22

23 Q. Is BellSouth's existing trouble reporting gateway consistent with MCI's
24 definition of an electronic interface to maintenance and trouble
25 reporting systems?

1

2 A. Yes, with two exceptions. MCI requests electronic notification of
3 planned or unplanned network outages, and also requests the ability to
4 monitor BellSouth's network itself. These capabilities currently are not
5 provided by the electronic trouble reporting gateway described in my
6 direct testimony. However, BellSouth has agreed to work with MCI
7 through the appropriate standards bodies and implementation forums,
8 such as the Electronic Communications Implementation Committee
9 (ECIC), to determine when and how such capabilities should be
10 implemented.

11

12 Q. On page 10, section I of the proposed interconnection agreement
13 attached to MCI's petition, MCI maintains that ILECs need to adopt
14 multi-ILEC trouble management procedures developed by the
15 industry's Network Operations Forum (NOF) in its Issue #226 Working
16 Document. Does BellSouth agree?

17

18 A. BellSouth agrees in principle, but does not agree for the particular
19 issue number cited by MCI. BellSouth's access methods and
20 procedures are consistent with and support the NOF's Issue #226.
21 That issue, however, is specific to access services. BellSouth will
22 participate in the NOF's current effort related to local interconnection,
23 which is NOF's Issue #229.

24

25

1 Q. On page 3, section II of the proposed interconnection agreement
2 attached to MCI's petition, MCI requests real-time control over switch
3 traffic parameters, real-time access to integrated test functionality and
4 real-time access to performance monitoring and alarm data affecting
5 BellSouth's network. What is BellSouth's position?

6

7 A. Network monitoring and repair will remain BellSouth's responsibility as
8 the underlying network provider. However, BellSouth has agreed to
9 work with MCI through the appropriate standards bodies and
10 implementation forums such as the Electronic Communications
11 Implementation Committee (ECIC) to determine when and how such
12 capabilities should be implemented.

13

14 Q. On page 10, section II of the proposed interconnection agreement
15 attached to MCI's petition, MCI requests that the ILEC provide status
16 reports so that MCI will be able to provide end user customers with an
17 estimated time to repair (ETTR). Does BellSouth agree?

18

19 A. No. While BellSouth's existing trouble reporting system does provide
20 individual commitment times for basic exchange trouble reports, that
21 system does not provide electronic interim status reports with individual
22 ETTR information on each trouble ticket. This is equivalent to the
23 information available to BellSouth's repair attendants.

24

25 Billing Interfaces

1

2 Q. MCI asserts that for ILEC/ALEC billing, a Carrier Access Billing System
3 (CABS) or CABS-like billing system should be used for charges related
4 to interconnection, unbundled elements, and resale. Does BellSouth
5 agree?

6

7 A. No. As described on page eight of my direct testimony, BellSouth
8 believes this is completely inappropriate. The CABS billing system is
9 designed to render bills for access services. BellSouth CABS bills do
10 not include the line level detail, such as itemized directory assistance
11 calling, associated with resold exchange lines. The billing system that
12 supports exchange services is the Customer Record Information
13 System (CRIS). BellSouth believes that MCI is expressing a
14 preference for CABS billing based on its familiarity with CABS billing in
15 the interexchange world, as well as its use of quality control processes
16 for CABS billing.

17

18 However, the CRIS billing system already contains the necessary
19 infrastructure to provide the line level detail associated with resold
20 services, and also is subject to BellSouth's internal quality controls.
21 The CABS system is not designed for this task; without extensive and
22 costly modifications, it would not even be capable of accomplishing the
23 desired outcome.

24

25

1 Q. On page 12 of the proposed interconnection agreement attached to
2 MCI's petition, MCI indicates that BellSouth's position is that paper
3 CRIS bills should be provided for non-access-like services. Is this an
4 accurate representation of BellSouth's position?

5

6 A. No. CRIS bills currently are available in the ALEC's choice of several
7 formats:

8

- 9 • Electronic Data Interchange (EDI) Transmission
- 10 • Diskette Analyzer Bill Format
- 11 • Magnetic Tape
- 12 • CD-ROM
- 13 • Paper

14

15 Q. MCI requests that the CRIS daily usage file provide information at the
16 call level in standard Exchange Message Record (EMR)/Exchange
17 Message Interface (EMI) industry format. Are BellSouth's
18 arrangements consistent with that request?

19

20 A. Yes. The CRIS daily usage file provides usage data for each billable
21 call. BellSouth provides this information in the Exchange Message
22 Record (EMR) format.

23

24 Q. In section XIV, page 12 of the "proposed interconnection agreement"
25 attached to MCI's petition, MCI requests the ILEC return EMI Exchange

1 Message Interface (EMI) records to IXCs with an OBF standard
2 message reject code. Has BellSouth agreed to do this?

3

4 A. Yes. BellSouth has enhanced its billing system to recognize IXC
5 messages billable to an ALEC account and has implemented edits to
6 prevent such billing using the appropriate codes.

7

8 Q. In Mr. Martinez's testimony on page 16 and in the proposed
9 interconnection agreement (Section XIV, page 11, paragraphs 5.4.2.2
10 and 5.4.2.3), MCI has asked for non-discriminatory access to the
11 Centralized Message Distribution System (CMDS) database for inter-
12 region and intra-region alternately billed messages. Has BellSouth
13 agreed to provide this?

14

15 A. No, but only because it is BellSouth's understanding that MCImetro
16 currently obtains CMDS hosting from another Regional Bell Operating
17 Company (RBOC), and the current industry practice is to have one host
18 per hosted entity. This industry-wide restriction is a result of a shortage
19 of assignable codes necessary to facilitate the hosting arrangements.
20 Should MCI decide at any point in the future that it prefers to obtain
21 CMDS hosting from BellSouth, BellSouth will work jointly and
22 cooperatively with MCI to provide this service. CMDS hosting is a
23 contractual arrangement between BellSouth and the hosted company,
24 and BellSouth will offer the same arrangements, terms and conditions
25 to MCI that have been offered to other hosted companies.

1

2 Q. On page 3 of Appendix 1 attached to MCI's petition, MCI asserts that a
3 new long term solution should be implemented for processing alternate
4 billed calls. Does BellSouth agree?

5

6 A. No. BellSouth is a participant in Bellcore's CMDS and Credit Card and
7 Third Number Settlement (CATS) systems. These are systems that
8 handle the exchange and settlement of alternately billed messages, such
9 as collect calls, between RBOCs and those companies they host. The
10 current arrangement has been in place for at least 12 years, and
11 continues to handle millions of messages daily with very few problems.
12 BellSouth also has an internal message distribution process for handling
13 alternately billed messages that originate and bill within the BellSouth
14 region. This process has been in place for a number of years as well.
15 BellSouth is the CMDS host for a number of ALECs and continues to offer
16 this service to any ALEC that competes within the BellSouth region.

17

18 To abandon the established processes would require extensive changes
19 to BellSouth's mechanized systems and could be quite expensive. It also
20 does not necessarily guarantee a more accurate or efficient process. A
21 replacement of Bellcore's national system would require an industry-wide
22 agreement and participation from all current direct and indirect participants
23 and would necessitate changes in all companies' message exchange
24 systems. For these reasons, BellSouth prefers to continue utilizing
25 existing processes for the handling of alternately billed messages.

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Database Access

Q. In addition to the interfaces already described, MCI lists a number of databases in Mr. Martinez's testimony and in the proposed interconnection agreement attached to its petition for which it believes it needs electronic access. What is BellSouth's position on providing such access?

A. The additional interfaces requested, and BellSouth's position on each, are as follows:

- Long Term Local Number Portability

The long term local number portability database does not exist at the present time. While this database has not yet been developed by the industry, it is BellSouth's understanding that this database will be administered by a neutral third party; therefore MCI's request for such access is not appropriately addressed to BellSouth.

- Intercept Information, Line Information Database (LIDB), Listing Services Database, and Directory Assistance Databases

Direct access to these databases would not be equivalent to BellSouth's internal access to these databases. Updates to these

1 databases for BellSouth's users are driven by the service order
2 process. This is the same service order process that will be used for
3 MCI's and other ALECs' service orders. Thus, MCI's and BellSouth's
4 access to those systems will be comparable, and no additional
5 interfaces are required.

6

7 • Billing Name and Address Database

8

9 Today, access to billing name and address via the CARE system is
10 restricted to interexchange carriers. However, BellSouth is willing to
11 work cooperatively with MCI through OBF to evaluate whether the
12 existing CARE process should be modified for ALECs.

13

14 • Operator Reference Information/Operator Reference Database

15

16 This request refers to a database maintained by some companies that
17 operators can access to retrieve telephone numbers for emergency
18 agencies, such as fire departments or law enforcement. However,
19 BellSouth does not have this database. BellSouth's operators use a
20 paper document that contains this information. While BellSouth
21 believes that providing or maintaining such information is the
22 responsibility of an ALEC's operator services provider, BellSouth has
23 agreed to provide a copy of its document on a one time basis to the
24 ALEC, upon request, in order to facilitate the ALECs' local market
25 entry.

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- Local Calling Area

BellSouth will work cooperatively with MCI and other ALECs to assist them in obtaining such information in a suitable format.

- Plant Inventory Data

Based on BellSouth's understanding of this request, BellSouth believes such access is not required by the FCC Order. As described by MCI on page 16 of Mr. Martinez's testimony, such access is not required to support MCI's pre-ordering, ordering and provisioning, maintenance and repair, or billing activities. Rather, Mr. Martinez suggests that such access is necessary to "reduce the likelihood that MCI will request infeasible points of interconnection or unbundled network functions." Even if such access were required, however, such access would not support MCI's stated purpose. It does not follow that knowing the specific details regarding quantities and locations of BellSouth's equipment would assist in any way in determining the technically feasible methods by which that equipment might be interconnected.

Finally, MCI requests access to databases, e.g., Centrex Business Group Information, Universe List, and TMN type database, which are unfamiliar to BellSouth, and for which BellSouth believes it has no such database.

1

2 Q. Please summarize your testimony.

3

4 A. BellSouth has provided extensive access to the systems and
5 databases required by the FCC Order in the areas of pre-ordering,
6 ordering and provisioning, maintenance, trouble reporting and billing.
7 Additionally, BellSouth has been extremely accommodating in providing
8 access to databases and data from numerous systems for use by
9 ALECs. Many enhancements have been made to these systems
10 specifically to facilitate use by ALECs, and many changes continue to
11 be made to fine tune the processes already in place. BellSouth
12 continues to cooperate with ALECs and the telecommunications
13 industry to facilitate the introduction of local exchange competition.

14

15 Q. Does this conclude your testimony?

16

17 A. Yes.

18

19

20

21

22

23

24

25

1 BY MS. WHITE:

2 Q And you did not file testimony in the ACSI
3 docket; is that correct?

4 A That's correct.

5 Q Ms. Calhoun, do you have a brief summary of your
6 testimony?

7 A Yes, I do and I will be brief.

8 Good afternoon, Commissioners, I'm here to
9 testify for BellSouth on operational interfaces.
10 BellSouth's effort has included extensive electronic
11 interfaces for the functions of preordering, ordering
12 and provisioning, trouble reporting and billing, the
13 same functions required by the FCC.

14 BellSouth and AT&T have agreed on the interfaces
15 and the schedule for resale, but BellSouth's
16 interfaces cover these functions not only for resale
17 but also for interconnection and for unbundled network
18 elements. Therefore, BellSouth is asking this
19 Commission to find that no additional interfaces are
20 required for AT&T and that the interfaces and the
21 schedule agreed to with AT&T are appropriate for MCI
22 as well.

23 For BellSouth and AT&T there is an unresolved
24 question about how combinations of unbundled network
25 elements will be ordered, but this does not mean that

1 more interfaces are required, they are not. It's a
2 question of what the service order will look like for
3 combinations. BellSouth believes the parties can
4 continue to work together and with the industry to
5 resolve order formatting questions.

6 Next, the billing systems. There are two billing
7 systems, CABS, C-A-B-S, which stands for carrier
8 access billing system; and CRIS, C-R-I-S, for customer
9 record information system. AT&T has agreed to accept
10 CRIS billing for resold services, but MCI has not.
11 MCI wants resale bills in CABS format. The FCC
12 doesn't require CABS billing and, in fact, didn't even
13 address it.

14 Also, while there apparently has been some
15 confusion on this point, the fact is that the
16 industry's ordering and billing forum, the OBF, did
17 not agree on mechanized CABS format for resale
18 billing. OBF did agree on the minimum items of
19 information that should appear on a resale bill, but
20 the OBF did not specify a billing system, nor a
21 billing format. If you look at the OBF documentation,
22 it specifically states that a CABS preference
23 statement was not included.

24 BellSouth has not agreed to CABS billing for
25 resale for a very simple reason. BellSouth's CABS

1 system can't bill for local exchange services, but the
2 CRIS billing system is designed to do exactly that.
3 MCI's answer is that BellSouth should just provide
4 CABS format from CRIS so that MCI won't have to
5 changes its billing system to accommodate its new line
6 of business, but that is like trying to use apples to
7 make orange juice. CRIS and CABS are huge systems;
8 they are completely different. They don't speak each
9 other's language. The consequences of trying to
10 change them would involve not just billing but
11 everything from provisioning to accounting to how a
12 service order updates the 911 data base. Meanwhile,
13 CRIS is specifically designed to bill local exchange
14 services and gives all the information that resellers
15 need which might be why AT&T found it could work with
16 CRIS billing. BellSouth is asking this Commission to
17 support CRIS billing and CRIS format for resold
18 services for MCI.

19 Finally, MCI wants electronic access to customer
20 service records, even when those customers are still
21 customers of BellSouth, or for that matter, of any
22 other reseller. At the same time, MCI doesn't want
23 anyone to access its data in BellSouth's systems, but
24 all local entrants would have to be given the same
25 access. So granting MCI's request would mean that any

1 ALEC could look at any customer's record at anytime
2 with no controls. We think this is an invasion of
3 customers' privacy and it's completely unnecessary.
4 The information MCI wants is on every customer's local
5 bill every month; therefore, BellSouth is asking this
6 Commission to protect customers' privacy by denying
7 MCI's request for electronic access to customer
8 service records.

9 In summary, BellSouth is asking this Commission
10 to do three things, first, find that no additional
11 interfaces are required for AT&T and that the
12 interfaces and schedule agreed upon with AT&T also are
13 appropriate for MCI; second, support CRIS billing and
14 CRIS format for resold services for MCI; and finally,
15 protect customers' privacy by denying MCI's request
16 for electronic access to customer service records.

17 As a summary exhibit, I have a chart that shows
18 the electronic interfaces BellSouth has agreed to
19 provide for each function by type of service. That is
20 available if you would like to see it. Thank you very
21 much. This concludes my summary.

22 CHAIRMAN CLARK: Thank you.

23 MS. WHITE: And I apologize, Madam Chairman, I
24 meant to hand this out before I tendered Ms. Calhoun
25 for her summary, but it is an illustrative chart that

1 will not be entered into the record.

2 CHAIRMAN CLARK: Okay. Mr. Melson.

3 MS. McMILLIN: I would like to look at the chart
4 really quickly, but I don't think we have any
5 questions.

6 CHAIRMAN CLARK: Okay.

7 (DOCUMENT TENDERED TO MS. McMILLIN AND
8 MR. MELSON)

9 MS. McMILLIN: No questions.

10 CHAIRMAN CLARK: Mr. Hatch.

11 MR. HATCH: No questions.

12 CHAIRMAN CLARK: Mr. Horton.

13 MR. HORTON: No questions.

14 CHAIRMAN CLARK: Staff.

15 CROSS EXAMINATION

16 BY MR. PELLEGRINI:

17 Q Good afternoon, Ms. Calhoun, I'm Charlie
18 Pellegrini representing staff.

19 A Good afternoon, Mr. Pellegrini, I recognize your
20 voice.

21 Q I have a few questions, first in reference to
22 Issue 13 and then, secondly, in reference to Issue
23 15. Is MCI requesting anything different in regard
24 to operational interfaces than what AT&T is
25 requesting?

1 A MCI is requesting substantially the same thing as
2 AT&T's initial requests. They are requesting some
3 things that are different from what has been agreed
4 upon with AT&T.

5 Q What are those different things?

6 A Well, AT&T -- excuse me, MCI has requested
7 real-time interactive interfaces for all functions,
8 whereas, some interfaces that have been agreed upon
9 with AT&T and with the industry, such as the
10 electronic data interchange, or EDI ordering process,
11 are not real-time or interactive. MCI has also
12 requested access to some specific data bases that are
13 addressed in detail in my testimony that weren't
14 specific requests made by AT&T.

15 Q I see. It is BellSouth's position that
16 operational interfaces should be consistent with
17 industry standards; is that true?

18 A Yes, to the extent that those standards exist,
19 let me add that. There are some functions, such as
20 pre-ordering, for which there really are no industry
21 standards, and to my knowledge, no one is addressing
22 those.

23 Q Are there other such functions?

24 A The customer usage data transfer, there is not an
25 industry standard per se for that, although there are

1 some industry standards that deal with how records are
2 exchanged, and we are using those.

3 Q AT&T Witness Shurter, he stated that BellSouth
4 agreed to provide the type of interactive electronic
5 data interface that AT&T has requested to support
6 total service resale. Do you recall?

7 A Well, I was not here, but I have seen his
8 transcript.

9 Q Is that your understanding of his testimony?

10 A Yes.

11 Q Have you agreed -- Has BellSouth agreed to
12 this?

13 A Yes.

14 Q Are there any open issues regarding interactive
15 electronic data interfaces for total service resale
16 between AT&T and BellSouth?

17 A The open issue, as I understand it, is not so
18 much an issue of the interface itself because we do
19 have interfaces that cover all of the functions; there
20 is an open issue about how the ordering interface will
21 be used. And briefly, what that issue is, is you have
22 an EDI ordering process which is better for some kinds
23 of services, like resale or things that are more
24 end-user oriented; and then there is the ASR, or
25 access service request process, which is more familiar

1 from the access world, and that is more for
2 interconnection kinds of elements, network to network
3 kinds of things. The open issue is what happens when
4 you have combinations of unbundled network elements,
5 how should those be ordered with those interfaces.
6 It's not a matter of needing another interface; it's a
7 matter of working out the order formatting kinds of
8 questions.

9 Q How about with respect to MCI, are there open
10 issues regarding interactive electronic data
11 interfaces for total service resale?

12 A To my knowledge, we have not come to closure on
13 that issue, on any of those interfaces with MCI.

14 Q On any issues?

15 A On any of the electronic interfaces.

16 Q Ms. Calhoun, with respect to billing next, is it
17 in your understanding, AT&T's position that BellSouth
18 should render bills to AT&T through CABS in the
19 standard SABR format?

20 A It's my understanding that that was AT&T's
21 initial position but that they have modified that
22 position and have agreed to accept bills in CRIS
23 format for resold services.

24 Q What, by the way, does the acronym SABR stand
25 for?

1 A It is standard access billing requirements.

2 Q It appears from AT&T's prehearing position that
3 there may be some agreement on an interim billing, on
4 interim billing processes; is that correct?

5 A Well, I think from AT&T's perspective, they've
6 agreed to accept CRIS bills for resold services and
7 that they would like for that to be an interim
8 arrangement, but this is an issue that has not --
9 there have been no industry agreements on billing
10 formats or billing systems for resold services, and so
11 I think that just in terms of moving forward we have
12 just decided to use the CRIS system and AT&T has
13 accepted that. I think long-term they might still
14 prefer CABS.

15 Q Ms. Calhoun, in your opening remarks, in your
16 summary, you stated that the OBF forum in August of
17 1996 did not order CABS as the industry wide standard
18 for resold services?

19 A I'm not sure that I referenced a date, but I did
20 say that OBF did not and has not accepted CABS billing
21 for resold services. They've addressed the issue, but
22 they haven't agreed on that.

23 Q What was the OBF position then in this respect?

24 A The OBF issue that was being addressed was really
25 the question of whether the minimum billing elements

1 that should appear on a resale bill, and it really
2 wasn't a question of which billing system or which
3 format. After the OBF agreed on the minimum billing
4 elements, there was a great deal of discussion about
5 whether a preference statement, as OBF calls it,
6 should be added, a preference statement for CABS
7 mechanized billing; but there was no industry
8 consensus on that, and the OBF did not add that
9 preference statement.

10 Q Ms. Calhoun, do you have at hand an exhibit
11 marked GC-6, your deposition transcript, September 27,
12 1996, together with Late-filed Deposition Exhibit
13 Number 1 and Late-filed Deposition Exhibit Number 2?

14 A No, sir, I'm sorry I don't. I was looking for
15 that just a little earlier and was dismayed to find
16 out it wasn't in my book.

17 Q Have you had an opportunity to examine it?

18 A I have.

19 Q Are there omissions or corrections to be made?

20 A There is one thing I would point out. I don't
21 really know that it's an omission or a correction.
22 There was something in there that wasn't quite my
23 recollection of what I said, but I can't really swear
24 to it one way or the other, so I'm willing to let it
25 stand the way it is.

1 Q With that then, is it a true and accurate
2 reflection of your testimony?

3 A Yes.

4 Q Do you also have before you Late-filed Deposition
5 Exhibit Number 3 and Late-filed Deposition Exhibit
6 Number 4 marked GC-7?

7 A Are those the ordering guidelines?

8 Q Well, these -- Yeah, you would not have these
9 because they are too voluminous to have been
10 supplied. Do you acknowledge them?

11 A Yes.

12 Q And lastly, do you have an exhibit identified as
13 GC-8, BellSouth's response to MCI's first set of
14 interrogatories, numbers 16 and 17.

15 MS. WHITE: We'll stipulate those into the
16 record.

17 MR. PELLEGRINI: Madam Chairman, we would have
18 exhibit identified GC-6 marked for identification.

19 CHAIRMAN CLARK: That will be marked as Exhibit
20 88.

21 MR. PELLEGRINI: 88?

22 CHAIRMAN CLARK: Yes.

23 (SO MARKED EXHIBIT 88)

24 MR. PELLEGRINI: And next exhibit marked GC-7 for
25 identification.

1 CHAIRMAN CLARK: That will be 89.

2 (SO MARKED EXHIBIT 89)

3 MR. PELLEGRINI: And last exhibit, GC-8 for
4 identification.

5 CHAIRMAN CLARK: The responses to interrogatories
6 will be marked as 90.

7 (SO MARKED EXHIBIT 90)

8 MR. PELLEGRINI: With that we have nothing
9 further for Ms. Calhoun. Thank you.

10 MR. HATCH: Madam Chairman, before we continue,
11 we had waived cross examination, and we don't have any
12 cross questions for Ms. Calhoun; however, she has
13 talked extensively about AT&T's position on a supposed
14 agreement between AT&T and BellSouth, and I don't
15 think that she did it intentionally, but it appears
16 that there may be some mischaracterization of what was
17 actually agreed to.

18 CHAIRMAN CLARK: All right. Do you want to cross
19 examine to clarify those?

20 MR. HATCH: I just want to show her a piece from
21 our proposed interconnection agreement to essentially
22 make sure that her recollection is correct, but I'm
23 going to show it to BellSouth first.

24 CHAIRMAN CLARK: That will be fine.

25 MR. HATCH: I only have one copy, so --

1 CHAIRMAN CLARK: Okay.

2 (DOCUMENT TENDERED TO BELLSOUTH AND THEN TO THE
3 WITNESS)

4 CROSS EXAMINATION

5 BY MR. HATCH:

6 Q Could you take a moment, Ms. Calhoun, and read
7 the two provisions under paragraph 2.1.1, particularly
8 the AT&T one?

9 (WITNESS REVIEWED DOCUMENT)

10 A Yes.

11 Q Does that indicate that AT&T has agreed to accept
12 CRIS CABS on a permanent basis?

13 A No, it doesn't.

14 Q What does it indicate?

15 A It indicates that, as I believe I said, AT&T has
16 agreed to accept CRIS billing and long-term would
17 prefer to have CABS billing.

18 WITNESS CALHOUN: Could I offer you the documents
19 that I was relying upon?

20 CHAIRMAN CLARK: I can tell you that I haven't
21 heard anything different. That's what I thought --
22 You said something similar to that in the beginning,
23 that what they have agreed to, CRIS, they have
24 accepted CRIS on an interim basis.

25 MR. HATCH: My apology, Madam Chairman.

1 BY MR. HATCH:

2 Q Ms. Calhoun, could you just read the AT&T
3 proposed language there?

4 A "BellSouth may provide AT&T bills for those local
5 services purchased from BellSouth by AT&T in the CRIS
6 Club format. BellSouth may utilize this format either
7 for one year after execution of this agreement or
8 until the Open Billing Forum adopts billing standards
9 for local services, whichever is earlier. After that
10 time, BellSouth shall provide bills only using CABS or
11 the OBF standards, provided these bills meet the AT&T
12 requirements as outlined in these agreement."

13 Would you like me to continue?

14 Q No, that's fine.

15 A The documents that I was relying upon, I'm not
16 sure which version that document is, but there are
17 several. One is the deposition of Mr. Shurter that
18 was taken here in Florida. One is the hearing
19 transcript of Mr. Shurter here in Florida, and another
20 is the hearing transcript from North Carolina where
21 Mr. Shurter said that, I mean I can read them so that
22 I don't have to paraphrase him, but the one --

23 CHAIRMAN CLARK: Ms. Calhoun, we understand this
24 is a fluid process, and we know you were endeavoring
25 to convey what you knew at the time.

1 WITNESS CALHOUN: Okay.

2 CHAIRMAN CLARK: Thank you.

3 WITNESS CALHOUN: Thanks.

4 CHAIRMAN CLARK: Anything else, Mr. Hatch?

5 MR. HATCH: No, ma'am, I just wanted to be
6 careful.

7 CHAIRMAN CLARK: Okay. Any redirect?

8 MS. WHITE: No redirect.

9 CHAIRMAN CLARK: Exhibits.

10 MS. WHITE: I'm not sure any more. I think it's
11 86 and 87.

12 CHAIRMAN CLARK: Yes, 86 and 87 will be entered
13 without objection.

14 MR. PELLEGRINI: And staff would move exhibits
15 88, 89 and 90.

16 CHAIRMAN CLARK: They will be entered in the
17 record without objection.

18 Thank you very much, Ms. Calhoun.

19 WITNESS CALHOUN: Thank you.

20 CHAIRMAN CLARK: Mr. Milner.

21 MR. LACKEY: It's Milner time.

22 CHAIRMAN CLARK: What is it?

23 MR. LACKEY: Milner time.

24 CHAIRMAN CLARK: Oh.

25 MR. LACKEY: I'm sorry. Mr. Milner, would you

1 please take the stand. He's got a really great
2 lawyer joke too.

3 CHAIRMAN CLARK: Excuse me?

4 MR. LACKEY: I said he's got a really great
5 lawyer joke too.

6 (Transcript follows in sequence in Volume 18)

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