

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Consideration of)	Docket No. 960786-TL
BellSouth Telecommunications,)	
Inc.'s entry into interLATA)	
services pursuant to Section 271)	
of the Federal)	
Telecommunications Act of 1996.)	

FIRST DAY - MID AFTERNOON SESSION

VOLUME 4

Pages 380 through 567

PROCEEDINGS:	HEARING
BEFORE:	JULIA L. JOHNSON, CHAIRMAN SUSAN F. CLARK, COMMISSIONER J. TERRY DEASON, COMMISSIONER DIANE K. KIESLING, COMMISSIONER JOE GARCIA, COMMISSIONER
DATE:	Tuesday, September 2, 1997
TIME:	Commenced at 9:00 a.m.
PLACE:	Betty Easley Conference Center Room 148 4075 Esplanade Way Tallahassee, Florida
REPORTED BY:	Lisa Girod Jones, RPR, RMR
APPEARANCES:	

(As heretofore noted.)

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1 PROCEEDINGS

2 (Transcript continues in sequence from
3 Volume 3.)

4 CHAIRMAN JOHNSON: I think we're ready for the
5 next witness.

6 MS. WHITE: Yes. BellSouth calls Bob Scheye.

7 Mr. Scheye will also have a couple of exhibits
8 for his summary, and I'm going to hand those out.

9 ROBERT C. SCHEYE

10 was called as a witness on behalf of BellSouth
11 Telecommunications, Inc., and having been duly sworn,
12 testified as follows:

13 DIRECT EXAMINATION

14 BY MS. WHITE:

15 Q Would you please state your name and address
16 for the record.

17 A Robert C. Scheye.

18 Q By whom are you employed?

19 A BellSouth Corporate.

20 Q Have you previously caused to be prepared and
21 prefiled in this case direct testimony consisting of 94
22 pages?

23 A Yes.

24 Q Do you have any substantive additions,
25 corrections or changes to make to that testimony at this

1 time?

2 A I do not.

3 Q If I were to ask you the same questions that
4 were posed in your prefiled direct testimony today,
5 would your answers to those questions be the same?

6 A Yes.

7 Q Did you prepare seven exhibits associated with
8 your testimony?

9 A Yes.

10 Q Are there any substantive corrections or
11 changes to any of these exhibits?

12 A There are not.

13 Q I would like to have the seven exhibits
14 attached to Mr. Scheye's testimony marked for
15 identification. I believe that would be composite
16 Exhibit 19.

17 CHAIRMAN JOHNSON: It will be Composite
18 Exhibit 19.

19 (Exhibit No. 19 marked for identification.)

20 CHAIRMAN JOHNSON: And short titled RCS -- how
21 many did you say?

22 MS. WHITE: Seven.

23 CHAIRMAN JOHNSON: 1 through 7.

24 Q (By Ms. White) Mr. Scheye, did you cause to
25 be filed, prepared and prefiled in this case, rebuttal

1 testimony consisting of 66 pages?

2 A Yes, I did.

3 Q Do you have any additions or changes or
4 corrections to that rebuttal testimony?

5 A I do not.

6 Q If I were to ask you the same questions that
7 were posed in your rebuttal testimony today, would your
8 answers be the same?

9 A Yes.

10 MS. WHITE: Madam Chairman, I would like to
11 have the direct and rebuttal testimony inserted into the
12 record as if read.

13 CHAIRMAN JOHNSON: It will be so inserted.
14
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1 **BELLSOUTH TELECOMMUNICATIONS, INC.**
2 **DIRECT TESTIMONY OF ROBERT C. SCHEYE**
3 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**
4 **DOCKET NO. 960786-TL**
5 **JULY 7, 1997**

6
7 Q. PLEASE STATE YOUR NAME, ADDRESS AND POSITION WITH
8 BELLSOUTH.

9
10 A. My name is Robert C. Scheye, and I am employed by BellSouth Corporation
11 as a Senior Director. My business address is 675 West Peachtree Street,
12 Atlanta, Georgia 30375.

13
14 Q. PLEASE GIVE A BRIEF DESCRIPTION OF YOUR BACKGROUND AND
15 EXPERIENCE.

16
17 A. I began my telecommunications company career in 1967 with the Chesapeake
18 and Potomac Telephone Company (C&P) after graduating from Loyola
19 College with a Bachelor of Science degree in Economics. After several
20 regulatory positions in C&P, I went to AT&T in 1979, where I was responsible
21 for the Federal Communications Commission ("FCC") Docket dealing with
22 competition in the long distance market. In 1982, with the announcement of
23 divestiture, our organization became responsible for implementing the
24 Modification of Final Judgment (MFJ) requirements related to
25 nondiscriminatory access charges. In 1984, our organization became part of

1 the divested regional companies' staff organization which became known as
2 Bell Communications Research, Inc. ("Bellcore"). I joined BellSouth in 1987
3 as a Division Manager responsible for jurisdictional separations and other FCC
4 related matters, and I moved to the BellSouth Strategic Management
5 organization in 1993. I recently moved to BellSouth Corporation.

6

7 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

8

9 A. The purpose of this testimony is to discuss the means by which BellSouth
10 Telecommunications, Inc. ("BellSouth" or "the company") has met the
11 requirements of Section 252 (f) and has fully implemented each of the
12 checklist items of the Telecommunications Act of 1996 (the "Act").
13 Specifically, I address each of the items contained in the 14-point competitive
14 checklist found in Section 271(c)(2)(B) of the Act. For each item, I provide:
15 1) an explanation of the checklist item; 2) the specific offering being made
16 available, including the rate, if applicable, and the specific reference to Florida
17 arbitration decisions or other decisions; 3) references where applicable to
18 negotiated agreements; and, 4) a discussion of how an alternative local
19 exchange company ("ALEC") is provided these capabilities. My discussion of
20 the checklist items responds to Florida Public Service Commission (hereinafter
21 referred to as the "Commission") Issues No. 2 through 15 for this Docket.

22

23 Q. WHAT IS BELL SOUTH ASKING THE COMMISSION TO DO?

24

25 A. The draft Statement of Generally Available Terms and Conditions (Exhibit

1 RCS-1), attached to my testimony, complies with the requirements of Section
2 252(f) of the Act, the 14-point checklist outlined in Act, and FCC rules.

3 Therefore, I request that the Commission confirm, within sixty days from the
4 date the Statement is formally filed with the Commission, that it does in fact
5 meet the 14-point checklist requirements, and that BellSouth has fully
6 implemented each of the checklist items. Once this approval has been granted,
7 BellSouth will offer the terms of the Statement to any ALEC authorized to
8 provide local service in Florida.

9
10 Q. PLEASE DESCRIBE THE EXHIBITS ATTACHED TO THIS TESTIMONY.

11
12 A. Attached to this testimony are a series of exhibits that are referred to at various
13 points within the testimony. These exhibits are as follows:

14
15 RCS-1 Draft Statement of Generally Available Terms and Conditions - The
16 Statement allows an ALEC to interconnect with BellSouth,
17 purchase unbundled network elements and/or resell BellSouth
18 services without negotiating an individual agreement with
19 BellSouth.

20 RCS-2 BellSouth Price List - The price list provides a comprehensive
21 listing of the prices BellSouth offers for interconnection and the
22 purchase of network elements.

23 RCS-3 Typical Applications - This exhibit provides examples of how each
24 of the 14 checklist items may be used by ALECs.

25 RCS-4 Checklist Cross-Reference - This exhibit provides a quick reference

1 for locating a particular checklist item in the draft Statement of
2 Generally Available Terms and Conditions, in this testimony, in the
3 AT&T agreement and in orders issued by the Commission.

4 RCS-5 Local Interconnection and Facilities Based Ordering Guidelines -
5 These guidelines address comprehensive ordering procedures for
6 ALECs to use in ordering interconnection arrangements with
7 BellSouth.

8 RCS-6 Resale Ordering Guidelines - These guidelines address
9 comprehensive ordering procedures for the resale of BellSouth's
10 retail services.

11 RCS-7 BellSouth Telecommunications Negotiations Handbook for
12 Collocation - This handbook provides the procedures for requesting
13 physical collocation arrangements from BellSouth.

14

15 Q. UPON WHAT BASIS IN THE ACT IS BELLSOUTH FILING ITS
16 STATEMENT OF GENERALLY AVAILABLE TERMS AND
17 CONDITIONS?

18

19 A. BellSouth is submitting the attached draft Statement of Generally Available
20 Terms and Conditions ("Statement") as Exhibit RCS-1 pursuant to Section 252
21 (f) of the Act as advance information for the Commission. BellSouth
22 anticipates formally filing this Statement with the Commission in the near
23 future. BellSouth will formally request that the Commission review and
24 approve the Statement under Section 252(f) of the Act. Further, the
25 Commission should find that the Statement is in conformance with the 14-

1 point competitive checklist found in Section 271(c)(2)(B) of the Act.

2

3 Q. WHY IS BELLSOUTH SUBMITTING THE STATEMENT AT THIS TIME,
4 YET NOT FORMALLY FILING UNTIL SOME LATER DATE?

5

6 A. The Commission established this proceeding to review the various aspects of
7 BellSouth's entry into the in-region interLATA services arena under the terms
8 of the Act. This Statement is one component of this review because it provides
9 a vehicle for demonstrating that BellSouth can provide checklist items in the
10 absence of ALEC orders for a particular item, and because it will provide the
11 basis for ALECs not desiring to negotiate an interconnection agreement to
12 enter into competition with BellSouth. It is a part of one avenue through which
13 BellSouth may petition for interLATA authority. BellSouth is submitting an
14 advance draft of the Statement to provide additional time for review by the
15 Commission because under Section 252(f)(3) of the Act "[t]he State
16 commission to which a statement is submitted shall, not later than 60 days after
17 the date of such a submission – (A) complete the review of such statement
18 under paragraph (2) (including any reconsideration thereof), unless the
19 submitting carrier agrees to an extension of the period of such review; or (B)
20 permit such statement to take effect." We will formally file the Statement at a
21 time which will enable the Commission to review and approve it in the context
22 of this proceeding and the procedural schedule set by the Commission.

23

24 Q. WHAT DOES BELLSOUTH BELIEVE IS THE PROPER FORMAT FOR
25 TERMS AND CONDITIONS?

1

2 A. The Act does not provide for a particular format for a submission of terms and
3 conditions under Section 252(f). BellSouth has elected to develop a format
4 that is similar to negotiated and arbitrated interconnection agreements.

5 BellSouth believes this is appropriate and will hopefully facilitate the review
6 by the Commission and by the ALECs who may wish to operate under these
7 terms and conditions.

8

9 Q. PLEASE DISCUSS BELLSOUTH'S APPROACH IN DEVELOPING
10 GENERALLY AVAILABLE TERMS AND CONDITIONS.

11

12 A. New entrants have several different avenues to obtain the interconnection and
13 access arrangements they require. The Statement recognizes this and is
14 developed in a manner that is both straightforward and as simple as possible,
15 while at the same time meeting the requirements of the Act. The Statement
16 includes the capabilities required under the Act for a new entrant to compete
17 with BellSouth. To the extent a specific item is not contained within the
18 Statement, a Bona Fide Request process is included, or the party can choose to
19 negotiate terms and conditions.

20

21 BellSouth has included many of the operational and procedural matters in
22 separate handbooks, licensing agreements, etc., in order to facilitate a new
23 entrant's understanding of the capabilities being offered. Similarly, Exhibit
24 RCS-3, titled Typical Applications, illustrates how each of the checklist items
25 might be used.

1
2 While the Statement can be used by any new entrant, one could expect that the
3 larger carriers may want to, at least initially, negotiate their own agreements.
4 Experience with the interexchange market indicates that carriers of all sizes
5 may wish to enter the local telecommunications business without negotiating
6 an agreement, and the Statement accommodates this eventuality.

7
8 Included as Exhibit RCS-4 is a matrix which cross-references each checklist
9 item with the Statement reference, testimony reference and decisions of this
10 Commission. This will hopefully help in the review process in assuring that all
11 elements have been dealt with adequately. For ease of reference in reviewing
12 the 14-point checklist requirements as they are discussed in this testimony, the
13 checklist item and testimony reference from Exhibit RCS-4 are provided
14 below:
15

Item #	Item Description	Testimony Pages
1	Interconnection	14-21
2	Nondiscriminatory Access to Network Elements	21-34
3	Nondiscriminatory Access to Poles, Ducts, Conduits and Rights-of-way	34-37
4	Unbundled Loops	37-43
5	Local Transport	43-46
6	Unbundled Local Switching	46-52
7	Nondiscriminatory Access to 911, Directory Assistance and Operator Services	52-64

Item #	Item Description	Testimony Pages
8	White Pages Directory Listing	64-68
9	Nondiscriminatory Access to Telephone Numbers	68-69
10	Nondiscriminatory Access to Databases and Signaling	69-77
11	Interim Number Portability	77-83
12	Local Dialing Parity	83-85
13	Reciprocal Compensation	85-87
14	Resale	87-92

1

2 Q. PLEASE EXPLAIN IN BROAD TERMS THE SOURCE OF THE ITEMS
3 AND THE RATES FOR THOSE ITEMS THAT YOU ARE PROPOSING IN
4 THE STATEMENT.

5

6 A. Let me explain first the process that was used to determine the items included
7 in the Statement, and then I will discuss how the rates were established. Four
8 basic sources were used to determine the actual functions that are included in
9 the Statement. The first was the Act, specifically Sections 251, 252, and 271
10 that describe the checklist requirements. Second, the FCC's First Report and
11 Order ("FCC's Order") in CC Docket 96-98 dealt with many aspects of the
12 functions included in the checklist. While aspects of that Order remain under
13 Stay by the Eighth Circuit Court, there are other provisions that are in effect
14 today. Third, the issues that were presented to the Commission in the
15 BellSouth arbitration cases with AT&T, American Communications Services
16 of Jacksonville, Inc. ("ACSI"), MCI, Sprint, and Metropolitan Fiber Systems

1 of Florida, Inc. ("MFS") were considered. Finally, items contained in
2 voluntarily negotiated agreements were also included.

3

4 By using a broad range of inputs, BellSouth has been able to construct a
5 Statement that includes all aspects of the competitive checklist and has,
6 arguably, included items that are beyond the checklist requirements. For
7 example, if the experience in the negotiation process indicated a need for a
8 particular capability, BellSouth has included this functionality even though it
9 was beyond what may be needed to comply with the checklist requirements. In
10 some instances, where applicable, BellSouth has relied on decisions in other
11 jurisdictions to provide additional credence to its proposal. Therefore, while
12 BellSouth has incorporated this Commission's arbitration decisions, it should
13 not be surprising that the Statement includes functions and rates that go beyond
14 those decisions in order to provide a comprehensive list of items to create a
15 Statement that is compliant with the competitive checklist.

16

17 Q. WERE THE RATES THAT ARE INCLUDED IN THE STATEMENT
18 DERIVED IN A SIMILAR MANNER AS DESCRIBED ABOVE FOR THE
19 FUNCTIONS THAT HAVE BEEN INCLUDED?

20

21 A. Yes. Several sources were used as the basis for the rates that are included in
22 the Statement. Where a rate was arbitrated, the Commission's ordered rates
23 (primarily from Order No. PSC-96-1579-FOF-TP) have been incorporated into
24 the Statement. The Commission-ordered rates are based on BellSouth's
25 TSLRIC cost studies. They are permanent rates, with the exception of those

1 functions for which BellSouth did not provide a TSLRIC study. In those
2 instances, the Commission set interim rates based on either the Hatfield study
3 results with modifications or BellSouth's existing tariff rates. Where a rate
4 was not arbitrated, BellSouth relied on a number of sources. For example,
5 BellSouth's proposed price list in the arbitration proceedings, as well as
6 voluntarily negotiated agreements, provide appropriate sources. The rates
7 typically include existing tariff rates and rates specifically developed from the
8 costs provided in the arbitration proceedings. The source of each rate is
9 described within the discussion of each checklist item.

10

11 Q. WERE THE RATES ESTABLISHED BY THE COMMISSION IN THE
12 ARBITRATION PROCEEDINGS BASED ON COST?

13

14 A. Yes. The standard by which the Commission arbitrated the rates was
15 established in Section 252(d) of the Telecommunications Act. Section
16 252(d)(1) states that "interconnection and network element charges... shall be
17 based on cost (determined without reference to a rate of return or other rate-
18 based proceeding) of providing the interconnection or network element
19 (whichever is applicable) and [be] nondiscriminatory, and may include a
20 reasonable profit." Further, according to Section 252(c)(2), "in resolving by
21 arbitration...any open issues and imposing conditions upon the parties to the
22 agreement, a State commission shall...establish any rates for interconnection,
23 services or network element according to subsection (d)..."

24

25 In the arbitration proceedings, the Commission found that TSLRIC is the

1 “appropriate costing methodology” and ordered BellSouth to file TSLRIC cost
2 studies for those rates for which interim rates were set. (December 31, 1996
3 Final Order on Arbitration for consolidated Docket Nos. 960833-TP (AT&T),
4 960846-TP (MCI) and 960916-TP (ACSI), at page 33.) (Hereinafter, the
5 aforementioned Order will be referred to as the “December 31, 1996 Final
6 Order on Arbitration in the consolidated dockets.”) BellSouth filed the
7 applicable cost studies on March 18, 1997. The ordered rates are consistent
8 with both Sections 252(c)(2) and (d)(1) of Act.

9
10 Q. HAVE RATES APPROVED IN OTHER JURISDICTIONS BEEN BASED
11 ON COST?

12
13 A. Yes. Many Commissions have set rates based on cost. For example, in the
14 Georgia proceedings on Section 271, Witness Don Wood (MCI) recognized
15 that interim rates set by the Georgia PSC were based on an acceptable cost
16 standard. The following is an excerpt of the transcript from the deliberations
17 on Friday, March 7, 1997:

18
19 COMMISSIONER D. BAKER: And as a general observation, would it be fair
20 to say that, at least the majority of states have also adopted some form of
21 forward-looking incremental cost in pricing?

22
23 THE WITNESS: Yes, absolutely. I can think, actually, of only one that has
24 done something different than that, and that's Iowa, which has got a base that
25 they call forward-looking -- I call -- it's some version of forward-looking

1 embedded. They actually use investments in place, but apply them and convert
2 them to expenses as if it were on a forward-looking basis. So it's kind of a
3 melded approach.

4

5 Other than that, conceptually the details are different, but forward-looking
6 incremental cost has been broadly accepted, as it should be. [emphasis added]

7

8 Q. HOW HAS BELLSOUTH MET THE COMPETITIVE CHECKLIST IN
9 EACH AREA?

10

11 A. With the enactment of the Act, the checklist items contained in Section 271
12 became the focal point for negotiations and arbitration decisions. When an
13 issue has been arbitrated, BellSouth has included provisions in its Statement
14 based on those decisions.

15

16 In deciding the various arbitration issues, the Commission conducted detailed
17 proceedings in which, to date, BellSouth, AT&T, MCI, ACSI, Sprint, and MFS
18 each submitted testimony and presented witnesses on their areas of concern.
19 From these parties, the Commission heard a host of witnesses provide their
20 perspective on these issues.

21

22 In accordance with the requirements of the Act, the Commission heard the
23 cases and issued Orders in a timely manner. Rather than deviate from the
24 Commission's decisions, BellSouth has adhered to those findings. It should be
25 clear that in making its decisions regarding arbitrated issues, the Commission

1 explicitly considered and applied the requirements of the Act and applicable
2 rules promulgated by the FCC. Similarly, as the Commission decides whether
3 a particular checklist item is being met, it should consider factors similar to
4 those examined in the arbitration cases.

5

6 It would be illogical for the Commission to have decided an issue in a
7 particular manner in the arbitration proceedings and then, in this proceeding,
8 determine that their decision would not meet the checklist requirement. For
9 example, the price established for an unbundled loop was part of three
10 arbitration proceedings and one generic proceeding, and the Commission has
11 made decisions in all of these proceedings. The vast majority of the rates that
12 were deemed to be most significant and important for the development of
13 competition were determined through these same generic and arbitration
14 proceedings in which the Act and the FCC decisions were considered.

15

16 The Florida Commission was very deliberate in its efforts to comply with the
17 requirements of the Act and with those portions of the FCC's Order in CC
18 Docket No. 96-98 not stayed by the Eighth Circuit Court of Appeals. As a
19 result, BellSouth's Statement meets not only the requirements of the
20 Commission, but also the requirements of the Act's 14-point competitive
21 checklist.

1 **DISCUSSION OF EACH CHECKLIST ITEM**

2

3 **CHECKLIST ITEM NO. 1: INTERCONNECTION IN ACCORDANCE**
4 **WITH THE REQUIREMENTS OF SECTIONS 251(c)(2) AND 252(d)(1)**
5 **(THIS SECTION RESPONDS TO COMMISSION ISSUE NO. 2)**

6

7 Q. WHAT ARE THE REQUIREMENTS OF SECTIONS 251(c)(2) AND
8 252(d)(1) OF THE ACT REGARDING INTERCONNECTION?

9

10 A. Section 251(c)(2) of the Act outlines the additional obligations of incumbent
11 local exchange companies (“ILECs”) regarding interconnection. Specifically,
12 an ILEC, such as BellSouth, has the duty to provide interconnection of
13 requesting telecommunications carriers’ facilities and equipment with its
14 network for the purposes of transmission and routing of telephone exchange
15 service and exchange access. This interconnection must be provided at any
16 technically feasible point that is at least equal in quality to that provided by the
17 ILEC to any other party, including any subsidiary or affiliate of the ILEC.

18

19 Section 252(d)(1) of the Act specifies the pricing standards of such
20 interconnection. In essence, rates are to be considered just and reasonable
21 when they are based on the cost of providing the interconnection, are
22 nondiscriminatory and include a reasonable profit.

23

24 Q. PLEASE DESCRIBE INTERCONNECTION AS COVERED BY THIS
25 CHECKLIST ITEM.

1

2 A. Interconnection allows for the exchange of local traffic between BellSouth and
3 an ALEC over trunks terminated at specified interconnection points. Such
4 interconnection typically involves the following components in establishing
5 complete and efficient interconnection of networks: 1) trunk termination
6 points; 2) trunk directionality; 3) trunk termination method; 4) interconnection
7 of ALECs to each other; and 5) interconnection billing.

8

9 Q. WHAT IS BELL SOUTH OFFERING TO ALECS IN ITS STATEMENT
10 THAT COMPLIES WITH CHECKLIST ITEM NO. 1 AND PROVIDES THE
11 COMPONENTS OF INTERCONNECTION?

12

13 A. Section I of BellSouth's Statement provides for interconnection of networks
14 that satisfies all of the components identified above. Although BellSouth
15 recognizes that the interconnection offered in its Statement does not encompass
16 every possible means of interconnection, it does offer reasonable and
17 appropriate interconnection at terms, conditions and prices that are consistent
18 with the Act and with decisions of the Commission. Any party is free to, and
19 encouraged to, negotiate alternative means of interconnection with BellSouth
20 to meet their specific needs and desires. To the extent ALECs want another
21 form of interconnection under the Statement, these arrangements will be
22 negotiated, or the Bona Fide Request process is available.

23

24 For trunk termination, BellSouth's Statement offers ALECs interconnection at
25 BellSouth tandems and/or end offices for the reciprocal exchange of local

1 traffic. For trunk directionality, BellSouth offers routing of local and
2 intraLATA traffic over a single one-way trunk group. Access traffic, as well as
3 all other traffic utilizing BellSouth's intermediary tandem switching function,
4 can be routed via a separate trunk group which is typically a two-way trunk
5 group. When traffic other than local is routed on the same facilities as local
6 traffic, the Percentage Local Usage ("PLU") will determine the amount of local
7 minutes to be billed to the other company.

8
9 The Commission, in its December 31, 1996 Final Order on Arbitration in the
10 consolidated dockets, found it appropriate to establish separate rates for tandem
11 and end office switching, because the ALECs may use one or both switches to
12 terminate a call. The Commission stated: "A call terminated at an access
13 tandem may require more switching and transport than a call terminated at an
14 end office." (Order No. PSC-96-1579-FOF-TP, Page 68)

15
16 As a method of trunk termination, BellSouth offers interconnection of facilities
17 and equipment through: 1) virtual collocation; 2) physical collocation; and 3)
18 interconnection via purchase of facilities from either company by the other
19 company. For interconnection of ALECs to each other, BellSouth offers
20 intermediary local tandem switching and transport services for ALEC
21 connection of its end user to a local end user of another ALEC or an incumbent
22 LEC other than BellSouth. This service is available if the two parties are
23 connected through the same BellSouth tandem.

24
25 For access billing, BellSouth will bill its rate elements to the interexchange

1 carrier (“IXC”) on a meet-point basis when BellSouth and an ALEC both
2 provide an access service connection to an IXC. In such cases, each company
3 will bill its own access services rates to the IXC. Using what is typically
4 referred to as “multi-billed,” meet-point access will assure that the IXC is
5 billed the appropriate rate elements by the two LECs providing the service in a
6 manner similar to the way incumbent LECs perform these functions.

7
8 Once again, BellSouth’s Statement offers a reasonable means of
9 interconnection for any company electing to operate under the terms,
10 conditions and prices of the Statement. There are numerous other
11 arrangements that can be negotiated. For example, some companies may
12 prefer a mid-span meet for interconnection in addition to or in lieu of tandem
13 and/or end office interconnection. The details of such an arrangement can be
14 developed between the parties. For this arrangement as well as other
15 alternatives, an ALEC may avail itself of the Bona Fide Request process,
16 which is Attachment B of BellSouth’s Statement.

17

18 Q. WHAT ARE BELLSOUTH’S PRICES FOR INTERCONNECTION
19 SERVICES?

20

21 A. As specified in Exhibit RCS-2, attached to this testimony, BellSouth offers the
22 following rates for interconnection:

1

Interconnection Component	Rate Per Minute
Interconnection at an end office	\$0.002
Interconnection at a tandem – Tandem Switching* – Common Transport – Facility Termination – Per Mile	\$0.00125 (Common transport is included in the overall rate for transport and termination)
Intermediary Tandem (in addition to tandem switching and transport)	\$0.00050

2

3

4

* The Commission adopted a "total" interconnection charge for a call terminated at an end office or at the tandem. If the call is transported through both a tandem and an end office, these rates are added.

5

6

Rates and charges for collocation and facilities are specified in Exhibit RCS-2 attached to this testimony and will apply in addition to the usage rates.

7

8

9

Q. ARE BELLSOUTH'S INTERCONNECTION OFFERINGS IN COMPLIANCE WITH DECISIONS OF THIS COMMISSION?

10

11

12

A. Yes. Although BellSouth has negotiated numerous interconnection agreements with ALECs which contain various combinations of rates, BellSouth has elected to include the rates resulting from arbitration proceedings and generic proceedings in its Statement.

13

14

15

16

17

In its December 31, 1996 Final Order on Arbitration in the consolidated dockets at page 68, the Commission established charges for transport and

18

1 termination including end office switching and tandem switching. Also, in its
2 October 1, 1996 Order on Motions for Reconsideration in Docket No. 950985-
3 TP, the Commission set the rate for BellSouth to charge for intermediary
4 handling of local traffic (Order No. PSC-96-1231-FOF-TP, page 18). The
5 provision of interconnection and the associated rates are in full compliance
6 with decisions of the Commission.

7
8 In its Order of March 29, 1996, in Docket No. 950985-TP, the Commission
9 ordered that BellSouth and competing carriers exercise flexibility in
10 determining points of interconnection. Competing carriers have the option to
11 interconnect via tandem or end office switching using either one-way or two-
12 way trunking arrangements. The Statement provides rates for interconnection
13 via tandem or end office. Other technically feasible methods are available
14 through the Bona Fide Request process. Thus, the offerings contained within
15 the Statement, in addition to a new entrant's ability to negotiate specific
16 trunking arrangements, place BellSouth's offerings in compliance with orders
17 of this Commission.

18
19 Q. HAS BELLSOUTH AGREED TO INTERCONNECTION TERMS,
20 CONDITIONS AND PRICES IN ITS NEGOTIATED AGREEMENTS?

21
22 A. Yes. BellSouth has negotiated numerous interconnection agreements with
23 ALECs, many of which contain prices, terms and conditions for local
24 interconnection. Examples of such agreements are AT&T, Intermedia
25 Communications, Inc. (ICI), MCI, and ACSI.

1

2 Q. WHAT PROCESSES ARE OFFERED TO AN ALEC FOR ORDERING
3 AND BILLING INTERCONNECTION SERVICES?

4

5 A. The ordering and provisioning of interconnection trunking services purchased
6 from BellSouth by an ALEC are set forth in Exhibit RCS-5, the Local
7 Interconnection and Facilities Based Ordering Guidelines. Specifically, an
8 ALEC will order interconnection trunking services using the industry standard
9 Access Service Request (ASR) procedures as is used for switched access
10 services. The ALEC will initiate the service order process by sending the ASR
11 to the Local Carrier Service Center (LCSC), the group responsible for
12 interconnection service order issuance. The ALEC will initiate the ASR via
13 the mechanized Exchange Access Control and Tracking (EXACT) system.
14 ALEC interconnection requests are negotiated and coordinated on an
15 individual case basis. Due dates for service orders are based on the availability
16 of facilities and are communicated to the ALEC via a Firm Order Confirmation
17 (FOC). Interconnection services are billed using the Carrier Access Billing
18 System (CABS).

19

20 Q. WHY DID BELLSOUTH NOT FILE THESE GUIDELINES AS PART OF
21 ITS STATEMENT?

22

23 A. The guidelines are very detailed, process oriented directions for completing
24 forms, initiating orders, and for communicating with various subject matter
25 experts within BellSouth regarding the provision of interconnection services

1 and unbundled elements. The forms, processes, contact names and numbers
2 will be revised as necessary to maintain up to date information. Filing these
3 guidelines as part of the Statement would be unduly cumbersome and does not
4 appear necessary because they do not affect the terms and conditions or the
5 prices of the services that are being provisioned.

6

7 Q. HAS BELLSOUTH MET ITS OBLIGATIONS TO FULLY IMPLEMENT
8 THIS CHECKLIST ITEM?

9

10 A. Yes. BellSouth has either provided interconnection or is capable of providing
11 it if ordered.

12

13 **CHECKLIST ITEM NO. 2: NONDISCRIMINATORY ACCESS TO**
14 **NETWORK ELEMENTS IN ACCORDANCE WITH THE**
15 **REQUIREMENTS OF SECTIONS 251(c)(3) AND 252(d)(1).**
16 **(THIS SECTION RESPONDS TO COMMISSION ISSUE NO. 3)**

17

18 Q. WHAT ARE THE REQUIREMENTS OF SECTIONS 251(c)(3) AND
19 252(d)(1) REGARDING NONDISCRIMINATORY ACCESS TO
20 NETWORK ELEMENTS?

21

22 A. Section 251(c)(3) charges BellSouth with the duty to provide
23 nondiscriminatory access to network elements on an unbundled basis at any
24 technically feasible point under rates, terms and conditions that are just and
25 reasonable. Further, requesting carriers are allowed to combine elements in

1 order to provide telecommunications service.

2

3 Section 252(d)(1) of the Act specifies the pricing standard for unbundled
4 network elements. In essence, rates for network elements are considered just
5 and reasonable when they are based on the cost of providing the element, are
6 nondiscriminatory and can include a reasonable profit.

7

8 Q. PLEASE DESCRIBE NONDISCRIMINATORY ACCESS TO NETWORK
9 ELEMENTS AS COVERED BY THIS CHECKLIST ITEM.

10

11 A. Because many of the unbundled network elements BellSouth provides or will
12 provide come under other items in the 14-point checklist, BellSouth describes
13 here those remaining elements and issues not covered elsewhere. Specifically,
14 the components of nondiscriminatory access to network elements addressed in
15 this item are as follows: 1) Bona Fide Request process; 2) collocation; and 3)
16 operational support systems. While some of these are not network elements as
17 defined by the Act, they are included in the Statement and discussed here for
18 the sake of completeness and for convenience.

19

20 Q. WHAT PROCESS IS BELLSOUTH PROVIDING TO ALECS IN ORDER
21 TO ADDRESS SPECIFIC REQUESTS FOR SERVICES AND ELEMENTS?

22

23 A. BellSouth has jointly developed a Bona Fide Request process with AT&T and
24 with MFS to request a change to services and elements including features,
25 capabilities or functionality. The Bona Fide Request process was not a subject

1 of arbitration. This process is available to any new entrant with a need for
2 interconnection or unbundled capabilities not included in the Statement. This
3 process addresses procedures and time frames for requests such that each party
4 has full understanding of the progress of each request. For example, the
5 process requires BellSouth to acknowledge in writing, within two business
6 days, its receipt of the Bona Fide Request, and further requires BellSouth to
7 identify a single point of contact for that request. In most cases, BellSouth will
8 provide a preliminary analysis of the request within 30 days of its receipt and a
9 firm quote in not more than 90 days from receipt of the request. The
10 requesting party then has 30 days to notify BellSouth of its acceptance or
11 rejection of the proposal. An ALEC initiates a Bona Fide Request through its
12 BellSouth Account Team representative who is responsible for overall
13 coordination of the request.

14
15 The Bona Fide Request process is provided as Attachment B to BellSouth's
16 Statement. Prices for capabilities offered through the Bona Fide Request
17 process will be developed in accordance with the Act and any applicable FCC
18 and Commission rules and regulations.

19
20 Q. IS THE BONA FIDE REQUEST PROCESS IN COMPLIANCE WITH THE
21 ACT AND WITH DECISIONS OF THIS COMMISSION?

22
23 A. Yes. Although not specifically addressed in the Act, the Bona Fide Request
24 process provides a method by which BellSouth can satisfy its duty under the
25 Act to provide nondiscriminatory access to network elements as requested by

1 any telecommunications carrier. This is appropriate for inclusion in the
2 Statement to recognize that new entrants may, over time, desire additional
3 capabilities.

4
5 Further, the Commission has not addressed Bona Fide Requests either
6 generically or in arbitration proceedings. BellSouth has, however, negotiated
7 agreements with new entrants that provide for handling of such requests. The
8 inclusion of such a process should also provide assurance to the parties
9 operating under the Statement that they will be able to request additional
10 capabilities over time.

11
12 Q. DOES BELLSOUTH'S STATEMENT OFFER COLLOCATION TO NEW
13 ENTRANTS UNDER TERMS AND CONDITIONS CONSISTENT WITH
14 THE ACT?

15
16 A. Yes. While not specifically mentioned as a checklist item, Section 251(c)(6)
17 charges BellSouth with the duty to provide for physical collocation of
18 equipment necessary for interconnection or access to unbundled network
19 elements at rates, terms and conditions that are just and reasonable. BellSouth
20 will provide for virtual collocation when physical collocation is not practical
21 for technical reasons or because of space limitations.

22
23 BellSouth offers both virtual and physical collocation to new entrants. The
24 rates, terms and conditions for virtual collocation are set forth in Florida's
25 Access Service Tariff in Section E20.1, "Virtual Expanded Interconnection

1 Service.” The rates for physical collocation are as follows:

2

Physical Collocation	Monthly	Nonrecurring
Application Fee		\$3,848.30
Space Preparation Fee		ICB
Space Construction Fee		\$29,744.00
Cable Installation - per entrance cable		\$4,650.00
Floor Space Zone A, per square foot	\$9.31	
Floor Space Zone B, per square foot	\$8.38	
Power, Per AMP	\$5.14	
Cable Support Structure, per entrance cable	\$13.35	
POT Bay (Optional Point of Termination Bay)		
2-Wire cross-connect	\$0.18	
4-Wire cross-connect	\$0.440	
DS1 cross-connect	\$1.20	
DS3 cross-connect	\$5.00	
Cross-Connects		
2-Wire Analog	\$0.30	\$9.25
4-Wire Analog	\$0.50	\$9.25
DS1	\$9.28	\$113.75 1st \$14.25 Add'l.
DS3	\$72.48	\$113.75 1st \$14.25 Add'l.
Security Escort		
Basic - 1st half hour/additional		\$41.00/25.00
Overtime - 1st half hour/additional		\$48.00/30.00
Premium - 1st half hour/additional		\$55.00/35.00

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25

Q. IS THE PROVISION OF COLLOCATION DESCRIBED ABOVE
CONSISTENT WITH DECISIONS OF THIS COMMISSION?

A. Yes. In its December 16, 1996 Order on Petition for Arbitration with MFS,
Docket No. 960757-TP, the Commission adopted the physical collocation rates
contained in the BellSouth Telecommunications Negotiations Handbook for
Collocation ("Collocation Handbook") and required BellSouth to provide
TSLRIC studies, which were subsequently provided. BellSouth offers
collocation in its Statement at the rates ordered in the MFS arbitration case
(Order No. PSC-96-1531-FOF-TP), and to the extent that rates were not
specified in the proceeding, BellSouth has included rates from the
Interconnection Agreement between BellSouth and AT&T. This latter
situation is limited to the 2-wire and 4-wire POT Bay and cross-connect rates.

Additionally, the Commission required in its December 31, 1996 Final Order
on Arbitration in the consolidated dockets that MCI should be able to:

- 1) interconnect with other collocators that are interconnected with
BellSouth in the same central office,
- 2) purchase unbundled dedicated transport between the collocation
facility and MCI's network, and
- 3) collocate subscriber loop electronics in a BellSouth central office.

BellSouth has included as Exhibit RCS-7 its current Collocation Handbook.

1

2 Q. HAS BELLSOUTH SUCCESSFULLY NEGOTIATED COLLOCATION
3 WITH NEW ENTRANTS?

4

5 A. Yes. BellSouth has reached agreement with several new entrants on the rates,
6 terms and conditions of collocation. For example, the negotiated agreements
7 with ICI, MCI and Teleport Communications Group (“Teleport”) provide for
8 virtual collocation via FCC Tariff No. 1, and physical collocation via the
9 Collocation Handbook.

10

11 Q. HOW WOULD A NEW ENTRANT GO ABOUT ORDERING A
12 COLLOCATION ARRANGEMENT?

13

14 A. The collocation arrangement ordering process involves two phases:
15 Application Inquiry and Firm Order. Both phases are coordinated through the
16 ALEC’s BellSouth Account Team using an Application Inquiry document and
17 a Bona Fide Firm Order document. The current process is accomplished either
18 via facsimile or electronic mail. Services that interconnect to a collocation
19 arrangement will be ordered using the ordering process for the given service.

20

21 The interval for installation of a collocation arrangement varies based on the
22 building modifications required for the particular central office and the time
23 required by the ALEC’s equipment vendor to install the ALEC’s equipment. It
24 is anticipated that installation will take two to four months from a firm order to
25 equipment installation. The subsequent billing of the arrangement will be

1 accomplished through the Carrier Access Billing System (CABS).

2

3 Q. DOES BELLSOUTH'S STATEMENT INCLUDE THE PROVISION OF
4 OPERATIONAL SUPPORT SYSTEMS AS UNBUNDLED ELEMENTS?

5

6 A. Yes. Though not specifically addressed in the Act, the FCC addressed the
7 provision of operational support systems (for example, systems that ALECs
8 will use for pre-ordering, ordering, testing, etc.) in its August 8, 1996 Order.
9 The FCC's Order at paragraph 516 establishes operational support systems as
10 network elements that must be unbundled upon request of a
11 telecommunications carrier, and interprets that such systems are subject to the
12 nondiscriminatory access duty imposed by sections 251(c)(3) (unbundled
13 access) and 252(c)(4) (resale) of the Act. As discussed in detail in BellSouth
14 witness Gloria Calhoun's testimony, BellSouth offers non-discriminatory
15 access to the following operational support systems through electronic
16 interfaces: 1) pre-ordering; 2) ordering and local account maintenance; 3)
17 provisioning; 4) maintenance and repair; and 5) billing.

18

19 The details and specifications of these interfaces are contained in Attachment C
20 of BellSouth's Statement and in the ordering guidelines attached as Exhibits
21 RCS-5 and RCS-6 to this testimony.

22

23 Q. HAS THE COMMISSION ADDRESSED OPERATIONAL SUPPORT
24 SYSTEMS IN ITS RECENT DECISIONS?

25

1 A. Yes. The Commission addressed the provision of operational support systems
2 in Docket No. 950985-TP by requesting that BellSouth and ALECs jointly
3 develop mechanized operational procedures. BellSouth has worked with
4 several ALECs and has included these processes in its agreements, including
5 the one negotiated with MFS.

6
7 Additionally, the Commission addressed this issue in the arbitration
8 proceedings between BellSouth and AT&T and MCI. The Commission noted
9 in its December 31, 1996 Final Order on Arbitration in the consolidated
10 dockets that BellSouth and AT&T agreed on the electronic interface process
11 and schedule with respect to resale services. The Commission ordered that
12 electronic interfaces be provided for pre-service ordering, service trouble
13 reporting, service order processing and provisioning, and local account
14 maintenance. Similarly, BellSouth will provide Customer Daily Usage Data
15 that has been requested and ordered by the Commission.

16
17 Regarding access to customer service records, the Commission stated:

18
19 “BellSouth shall not require MCI and AT&T to obtain prior written
20 authorization from each customer before allowing access to customer
21 service records (CSRs). MCI and AT&T shall issue a blanket letter of
22 authorization to BellSouth which states that it will obtain the
23 customer’s permission before accessing CSRs. Further, BellSouth shall
24 develop a real-time operational interface to deliver CSRs to ALECs,
25 and the interface shall only provide the customer information necessary

1 for MCI and AT&T to provide telecommunications service.” (Order
2 No. PSC-97-0298-FOF-TP, Final Order on Motions for
3 Reconsideration in Docket Nos. 960833-TP, 960846-TP and 960916-
4 TP and Amending Order No. PSC-96-1579-FOF-TP, March 19, 1997,
5 pages 31-32)

6
7 The Statement, however, as provided here, can be used by new entrants once
8 approved by this Commission. To the extent that operational interface changes
9 are developed, those interfaces will be made available to any party that chooses
10 to operate under the terms of the Statement.

11
12 Consistent with the December 31, 1996 Final Order on Arbitration in the
13 consolidated dockets, cost recovery for the development of interfaces will be
14 borne by each party unless a process is developed exclusively for a specific
15 carrier. In such cases, costs will be recovered from the requesting carrier
16 (Order No. PSC-96-1579-FOF-TP, page 87).

17
18 The schedule and parameters set forth meet the Commission’s requirements
19 and are in compliance with the FCC’s Reconsideration Order in CC Docket 96-
20 98. All of the required interfaces are in operation. Ms. Calhoun’s testimony
21 describes in detail how these interfaces provide nondiscriminatory access as
22 compared with BellSouth’s retail systems.

23
24 Q. DO INTERCONNECTION AGREEMENTS BELLSOUTH HAS REACHED
25 WITH NEW ENTRANTS PROVIDE FOR ACCESS TO OPERATIONAL

1 SUPPORT SYSTEMS?

2

3 A. Yes. Access to operational support systems and databases as unbundled
4 network elements is covered in various interconnection agreements. In no
5 instance, however, have rates been included for the use of any specific pre-
6 ordering, ordering or repair type arrangements.

7

8 Q. HOW WOULD AN ALEC OBTAIN ACCESS TO THE OPERATIONAL
9 SUPPORT SYSTEMS NOTED ABOVE?

10

11 A. The testimony of Ms. Calhoun describes in detail those interfaces and how
12 they provide nondiscriminatory access to ALECs.

13

14 Q. YOU NOTED EARLIER THAT UNDER THE ACT RELATING TO THIS
15 CHECKLIST ITEM, NEW ENTRANTS ARE ALLOWED TO COMBINE
16 UNBUNDLED NETWORK ELEMENTS. HAS THE FLORIDA
17 COMMISSION CONSIDERED THIS ISSUE IN PREVIOUS DECISIONS?

18

19 A. Yes. This Commission addressed the rebundling issue during the AT&T and
20 MCI arbitration proceedings. In its December 31, 1996 Final Order on
21 Arbitration in the consolidated dockets, the Commission allowed AT&T and
22 MCI to combine unbundled network elements in any manner they choose,
23 including recreating a BellSouth service, but the Commission did not rule on
24 the pricing of recombined elements. (Order No. PSC-96-1579-FOF-TP, pages
25 37-38).

1
2 Further, in its March 19, 1997 Final Order on Motions for Reconsideration
3 regarding the consolidated dockets, the Commission stated:

4
5 “In our original arbitration proceeding in this docket, we were
6 not presented with the specific issue of the pricing of recombined
7 elements when recreating the same service offered for resale. . . .

8
9 Furthermore, we set rates only for the specific unbundled
10 elements that the parties requested. Therefore, it is not clear from the
11 record in this proceeding that our decision included rates for all
12 elements necessary to recreate a complete retail service. Thus, it is
13 inappropriate for us to make a determination on this issue at this time.”
14 (Order No. PSC-97-0298-FOF-TP, page 7).

15
16 On May 27, 1997, the Commission entered an Order (Order No. PSC-97-0602-
17 FOF-TP) regarding the arbitrated Interconnection Agreement between
18 BellSouth and AT&T. In the Order, the Commission required both parties to
19 sign an agreement that included exactly the language prescribed in the
20 Commission’s previous Final Order Approving Arbitration Agreement. When
21 addressing the language that BellSouth sought to insert into the contract
22 concerning the price of rebundled elements, the Commission stated the
23 following:

24
25 “We expressed concerns with the potential pricing of UNEs to
26 duplicate a resold service at our Agenda Conference, and we expressed
27 our concerns in the Order in dicta; however, we stated that the pricing
28 issue associated with the rebundling of UNEs to duplicate a resold
29 service was not arbitrated. . . Accordingly, BellSouth’s proposed

1 language shall not be included in the agreement.” (Order, page 7)
2 (emphasis added).

3

4 On June 10, 1997, BellSouth sent to AT&T a letter inviting AT&T to negotiate
5 this currently unresolved issue of the pricing of recombined elements. AT&T
6 refused to negotiate, stating that its position on this issue was set forth in its
7 Motion To Compel Compliance. The Motion was filed with this Commission
8 on June 9, 1997. (BellSouth’s letter seeking negotiations was sent the day after
9 it signed the Interconnection Agreement but before being served with a copy of
10 AT&T’s Motion.)

11

12 At this time, BellSouth is treating recombined elements for pricing purposes as
13 resale. The Statement reflects this position, pending the outcome of AT&T’s
14 June 9, 1997 Motion to Compel and District Court proceedings. If the
15 Commission, in responding to AT&T’s Motion, indicates another position,
16 BellSouth may need to revise the Statement.

17

18 Q. HOW IS SWITCHED ACCESS TREATED WHEN AN ALEC
19 RECOMBINES ELEMENTS OR PURCHASES UNBUNDLED
20 SWITCHING?

21

22 A. The Statement provides that existing tariffed switched access charges will
23 apply until switched access charges are restructured.

24

25 Q. HAS BELLSOUTH MET ITS OBLIGATIONS TO FULLY IMPLEMENT

1 THIS CHECKLIST ITEM?

2

3 A. Yes. BellSouth has either provided nondiscriminatory access to network
4 elements or is capable of providing it if ordered.

5

6 **CHECKLIST ITEM NO. 3: NONDISCRIMINATORY ACCESS TO**
7 **THE POLES, DUCTS, CONDUITS, AND RIGHTS-OF-WAY OWNED**
8 **OR CONTROLLED BY THE BELL OPERATING COMPANY AT**
9 **JUST AND REASONABLE RATES IN ACCORDANCE WITH THE**
10 **REQUIREMENTS OF SECTION 224.**

11 **(THIS SECTION RESPONDS TO COMMISSION ISSUE NO. 4)**

12

13 Q. HOW IS THIS CHECKLIST ITEM ADDRESSED IN SECTION 224 OF
14 THE ACT?

15

16 A. Section 224 outlines the jurisdiction over regulation of access to poles, ducts,
17 conduits and rights-of-way and describes the standard for just and reasonable
18 rates for such access.

19

20 Q. IS THE PROVISION OF POLES, DUCTS, CONDUITS AND RIGHTS-OF-
21 WAY COVERED IN BELL SOUTH'S STATEMENT?

22

23 A. Yes. In Section III of its Statement, BellSouth offers access to poles, ducts,
24 conduits and rights-of-way to any ALEC via a Standard License Agreement.
25 This agreement (Attachment D of the Statement) is pursuant to Section 224, as

1 amended by the Act. The pole attachment rate, from standard negotiated
2 agreements in Florida, is \$4.20 per pole per year and the conduit occupancy
3 rate is \$0.56 per foot, per year.

4

5 Q. HAS THE COMMISSION CONSIDERED ACCESS TO POLES, DUCTS,
6 CONDUITS AND RIGHTS-OF-WAY IN ITS RECENT DECISIONS?

7

8 A. Yes. Negotiating carriers and BellSouth have agreed to the terms of the
9 Standard License Agreement. In several instances other carriers have asked the
10 Commission to resolve specific issues such as reserve capacity and access to
11 engineering records. In its December 31, 1996 Final Order on Arbitration in
12 the consolidated dockets, the Commission found that, for planning purposes,
13 BellSouth should allow AT&T and MCI access to its engineering records and
14 drawings as they pertain to poles, ducts, conduits and rights-of-way, owned or
15 controlled by BellSouth (Order No. PSC-96-1579-FOF-TP, page 89). The
16 Commission further required BellSouth "to allow AT&T and MCI to reserve
17 capacity under the same time period, terms and conditions BellSouth affords
18 itself." (Order, page 90)

19

20 BellSouth's Statement complies with Section 224 of the Act and with orders of
21 this Commission, which were issued in consideration of FCC rules.

22

23 Q. HAS BELL SOUTH NEGOTIATED AGREEMENTS WITH ALECS THAT
24 MEET THIS CHECKLIST ITEM?

25

1 A. Yes. Carriers such as Teleport and ICI have reached agreement with BellSouth
2 on access to poles, ducts, conduits and rights-of-way via a License Agreement.
3 The Standard License Agreement attached to the Statement conforms to the
4 Commission's requirements. Therefore, by its Statement and Standard License
5 Agreement, BellSouth has met this checklist item and the Orders of this
6 Commission.

7

8 Q. THROUGH WHAT PROCEDURES WOULD AN ALEC GAIN ACCESS TO
9 POLES, DUCTS, CONDUITS AND RIGHTS-OF-WAY?

10

11 A. The ALEC will send a license application to the BellSouth Right of Way and
12 Joint Use Group for occupancy requests. The requests are forwarded from this
13 group to the geographic area affected by the request. Requests are processed
14 on a first-come, first-served basis. The response interval is negotiated with the
15 ALEC (licensee), but depending on the nature and size of a particular request, a
16 reasonable interval is usually no less than 20 business days. The actual interval
17 will depend upon the complexity of the request. Billing is calculated on an
18 annual basis and is generated through standard billing procedures.

19

20 Q. HAS BELLSOUTH MET ITS OBLIGATIONS TO FULLY IMPLEMENT
21 THIS CHECKLIST ITEM?

22

23 A. Yes. BellSouth has either provided nondiscriminatory access to poles, ducts,
24 conduits and rights-of-way or is capable of providing it if ordered.

25

1 **CHECKLIST ITEM NO. 4: LOCAL LOOP TRANSMISSION FROM**
2 **THE CENTRAL OFFICE TO THE CUSTOMER'S PREMISES,**
3 **UNBUNDLED FROM LOCAL SWITCHING AND OTHER SERVICES.**
4 **(THIS SECTION RESPONDS TO COMMISSION ISSUE NO. 5)**

5

6 Q. WHAT IS A LOCAL LOOP AS REFERENCED IN THIS ITEM?

7

8 A. The local loop is a dedicated facility, for example, a cable pair from the
9 customer's premises to the main distribution frame of the serving central
10 office. There are several loop types that ALECs may request in order to meet
11 the needs of their customers. These include 2-wire and 4-wire voice grade
12 analog lines, 2-wire ISDN, 2-wire Asymmetrical Digital Subscriber Line
13 (ADSL), 2-wire and 4-wire High-bit-rate Digital Subscriber Line (HDSL) and
14 4-wire DS1 digital grade line. Each loop type possesses certain characteristics
15 that allow for proper transmission. For example, the characteristics for
16 transmission over a basic 2-wire analog voice grade loop are different than
17 those of an ISDN or HDSL loop.

18

19 Q. DOES BELLSOUTH OFFER THESE LOOP TYPES IN ITS STATEMENT?

20

21 A. Yes. In Section IV of its Statement, BellSouth offers all of the loop types
22 identified above to any requesting ALEC. Should an ALEC request loops not
23 covered in the Statement, the ALEC may employ the Bona Fide Request
24 process to pursue such additional loop types. Listed in the following chart are
25 the monthly and nonrecurring rates arbitrated in the AT&T and MCI

1 proceedings and included in the Statement:
2

Unbundled Elements	Monthly	Nonrecurring - First/additional
2-Wire Analog Voice Grade Loop	\$17.00	\$140.00/\$42.00
4-Wire Analog Voice Grade Loop	\$30.00	\$141.00/\$43.00
2-Wire ISDN Digital Grade Loop	\$40.00	\$306.00/\$283.00
2-Wire ADSL Loop	\$17.00	\$140.00/\$42.00
2-Wire HDSL Loop	\$17.00	\$140.00/\$42.00
4-Wire HDSL Loop	\$30.00	\$141.00/\$43.00
4-Wire DS1 Digital Grade Loop	\$80.00	\$540.00/ \$465.00
Network Interface Device (NID)	\$0.76	

3
4 Q. IS THE PROVISION OF LOCAL LOOPS IN COMPLIANCE WITH
5 ORDERS OF THIS COMMISSION?

6
7 A. Yes. In its Orders of March 29, 1996 in Docket No. 950984; December 16,
8 1996 in Docket No. 960757-TP (MFS arbitration); and December 31, 1996
9 Final Order on Arbitration in the consolidated dockets, the Commission
10 required BellSouth to provide 2-wire and 4-wire analog loops, 2-wire ISDN
11 and 4-wire DS-1 digital loops in addition to loop concentration and loop
12 transport. In Order No. PSC-96-0444-FOF-TP for Docket No. 950984, the
13 Commission set a rate of \$17.00 for the 2-wire analog loop only. In
14 subsequent orders, the Commission found it reasonable to establish the \$17.00
15 rate for a 2-wire loop as permanent and establish rates for the other requested

1 loops on a permanent basis. The Commission established nonrecurring
2 charges for the various requested loops at the rates specified above. The
3 Commission approved the rates for 2 and 4-wire HDSL and 2-wire ADSL
4 loops in the December 16, 1996 Order on Petition for Arbitration with MFS.
5 The loops and rates are also provided in the Statement. As a result,
6 BellSouth's Statement regarding the provision of unbundled loops under
7 Checklist Item No. 4 is in full compliance with the checklist requirements and
8 with the orders of this Commission.

9

10 Q. WHAT ARE THE OTHER COMPONENTS OF LOCAL LOOP
11 TRANSMISSION?

12

13 A. In addition to the unbundled loop, ALECs may request loop distribution, loop
14 cross connects, loop concentration, and access to Network Interface Devices
15 ("NIDs") as described below:

16

17 *Loop distribution or distribution media* is that part of the loop sometimes
18 referred to as "the last mile" that connects the customer to the local network by
19 connecting the customer's NID to a terminating device typically in a feeder
20 distribution interface sometimes referred to as the remote terminal. In such a
21 situation, the ALEC would presumably provide its own feeder facilities to its
22 own switch.

23

24 *Loop cross connects* allow the end-to-end local loop to be transported from the
25 main distribution frame in BellSouth's central office to an ALEC's collocated

1 space. In addition to the 2-wire and 4-wire cross connects, DS1 and DS3 cross
2 connects are also included.

3

4 *Loop concentration* involves concentrating a series of local loops onto a single
5 facility, for example, 24 individual loops multiplexed onto a single DS1
6 facility. Loop concentration described under this checklist item is used in the
7 central office to concentrate ALEC unbundled loops.

8

9 The *NID* provides a single line termination device or that portion of a multiple
10 line termination device required to terminate a single line or circuit. The NID,
11 located on the customer's premises, establishes the official network
12 demarcation point between a telecommunications company and its end user
13 customer. The NID used in residential applications also provides a protective
14 ground connection as required in Article 800 of the National Electric Code
15 1996 (copyright 1995 National Fire Protection Association).

16

17 Q. HAS BELLSOUTH MADE EACH OF THESE ADDITIONAL
18 COMPONENTS AVAILABLE TO ALECS IN ITS STATEMENT?

19

20 A. Yes. In addition to the local loops noted previously, BellSouth offers loop
21 cross connects in several varieties. BellSouth also provides loop distribution
22 media, loop concentration, and arrangements by which an ALEC may gain
23 access to the BellSouth NID. Following are the rates as provided in
24 BellSouth's Statement for loop concentration, the NID and loop distribution:

1

Unbundled Elements	Monthly	Nonrecurring
Loop Concentration		
- Loop Channelization System	\$480.00	\$350.00 1st/\$90.00 Add'l.
- Interface Per Circuit	\$1.50	\$5.75 1st/\$5.50 Add'l.
Network Interface Device	\$0.76	
Loop Distribution	\$7.00	Bona Fide Request

2

3 Q. DID THIS COMMISSION ADDRESS ANY OF THESE ADDITIONAL
4 LOCAL LOOP TRANSMISSION COMPONENTS IN ITS RECENT
5 DECISIONS?

6

7 A. Yes. With regard to loop distribution media, the Commission's December 31,
8 1996 Final Order on Arbitration in the consolidated dockets established loop
9 distribution as a network element that is technically feasible to unbundle.
10 Regarding loop cross connects, the Commission's December 16, 1996 Order in
11 Docket No. 960757-TP (MFS arbitration) and in its December 31, 1996 Final
12 Order on Arbitration in the consolidated dockets, adopted, on an interim basis,
13 the cross connects and associated rates contained in BellSouth's Collocation
14 Handbook (the rates were provided earlier in this testimony). In its March 29,
15 1996 Order for Docket No. 950985-TP, the Commission determined that loop
16 concentration should be offered to ALECs for resale.

17

18 Finally, in its December 31, 1996 Final Order on Arbitration in the
19 consolidated dockets, the Commission found that "BellSouth should allow

1 AT&T to connect directly to its NID, where spare capacity is available...in
2 instances where spare capacity does not exist, AT&T should adhere to the FCC
3 rules regarding a NID-to-NID arrangement until such time as the appropriate
4 guidelines are developed and incorporated within the National Electric Safety
5 Code.” (Order No. PSC-96-1579-FOF-TP, pages 11-12) The same
6 specifications for the NID, as outlined above, are included in the Statement.
7

8 Q. WHAT ARE THE PROVISIONS FOR ORDERING LOCAL LOOP
9 TRANSMISSION COMPONENTS?

10

11 A. The ordering and provisioning of all services purchased from BellSouth by an
12 ALEC are set forth in the Local Interconnection and Facilities Based Ordering
13 Guidelines, which is included as Exhibit RCS-5. Specifically, for most
14 unbundled loop requests, an ALEC may use the mechanized EXACT system to
15 transmit the ASR to the LCSC. Service installation due dates are negotiated.
16 Most unbundled loops will be billed through CABS. The ordering and billing
17 process for loop channelization is the same as for an unbundled loop. Loop
18 cross connects will be considered as part of collocation and dealt with in the
19 same manner as other components of collocation. The LCSC will also handle
20 NID requests.

21

22 Q. HAS BELLSOUTH MET ITS OBLIGATIONS TO FULLY IMPLEMENT
23 THIS CHECKLIST ITEM?

24

25 A. Yes. BellSouth has either provided local loop transmission or is capable of

1 providing it if ordered.

2

3 **CHECKLIST ITEM NO. 5: LOCAL TRANSPORT FROM THE**
4 **TRUNK SIDE OF A WIRELINE LOCAL EXCHANGE CARRIER**
5 **SWITCH UNBUNDLED FROM SWITCHING OR OTHER SERVICES.**
6 **(THIS SECTION RESPONDS TO COMMISSION ISSUE NO. 6)**

7

8 Q. WHAT IS LOCAL TRANSPORT AND WHAT ARE ITS COMPONENTS?

9

10 A. Local transport comprises those elements necessary to connect an ALEC
11 location to BellSouth or to connect two BellSouth locations. There are two
12 types of local transport: dedicated and common. Dedicated transport is used
13 exclusively by a single carrier for the transmission of its traffic. For example,
14 an ALEC switch can connect directly to a BellSouth switch through the use of
15 dedicated transport. Common transport is used to carry the traffic of more than
16 a single company. Common transport can connect a BellSouth end office to
17 another BellSouth end office or to a BellSouth tandem. When a tandem switch
18 is involved, a separate charge for tandem switching would apply in addition to
19 the transport rates. This is similar to the application of a tandem switching
20 charge for interconnection at a tandem switch.

21

22 Q. IS LOCAL TRANSPORT OFFERED IN BELLSOUTH'S STATEMENT?

23

24 A. Yes. BellSouth offers unbundled local transport in Section V of its Statement,
25 with optional channelization for such local transport from the trunk side of its

1 switch. BellSouth offers both dedicated and common transport for use by
 2 ALECs. With regard to dedicated transport, voice grade or DS0 channels
 3 might typically be used to transport an unbundled loop to an ALEC's switch.
 4 A DS1 could also be used for this purpose and would typically be used in
 5 conjunction with central office multiplexing or concentration (discussed under
 6 checklist item No. 4). DS1 or DS3 transport can also be used if an ALEC
 7 wishes to purchase transport facilities from BellSouth rather than provide its
 8 own facilities when interconnecting its switch with BellSouth , i.e., the
 9 transport portion of transport and termination as referred to in the FCC's
 10 Order. Other forms of transport, for example DS3, are also available from
 11 BellSouth's access tariffs to carriers requiring greater levels of capacity.
 12 BellSouth makes all of these possibilities available for ALECs.

13

14 The following chart lists the rates contained in BellSouth's Statement for local
 15 transport:

16

Local Transport Element	Monthly	Nonrecurring
Common Transport:		
- Per Mile, Per Minute	\$0.000012	
- Facility Termination, Per Minute	\$0.0005	
Dedicated DS1:		
- Per Mile	\$1.60	
- Facility Termination	\$59.75	\$100.49

Local Transport Element	Monthly	Nonrecurring
- Per Mile	\$1.60	
Tandem Switching, per minute	\$0.00125	

1

2 Q. ARE THESE TRANSPORT ELEMENTS AND RATES CONSISTENT
3 WITH DECISIONS OF THIS COMMISSION?

4

5 A. Yes. In its December 31, 1996 Final Order on Arbitration in the consolidated
6 dockets, the Commission established that dedicated and common transport are
7 network elements and are to be provided where technically feasible. The
8 Commission set rates at the prices noted above. Therefore, the provision and
9 pricing of local transport from the trunk side of a switch as contained in
10 BellSouth's Statement is in full accord with the Act's checklist and with
11 Orders of this Commission.

12

13 Q. IS LOCAL TRANSPORT ADDRESSED IN NEGOTIATED AGREEMENTS
14 BELLSOUTH HAS REACHED WITH ALECS?

15

16 A. Yes. The rates, terms and conditions of dedicated and common transport have
17 been successfully negotiated between BellSouth and such companies as
18 Teleport, ICI, and U S LEC.

19

20 Q. HOW WOULD AN ALEC OBTAIN LOCAL TRANSPORT FROM
21 BELLSOUTH?

22

1 A. The ordering and provisioning of transport services purchased from BellSouth
2 by an ALEC, as noted earlier, is set forth in the ALEC-to-BellSouth Ordering
3 Guidelines (Facilities-Based). Specifically, the ordering and provisioning of
4 local transport will be comparable to that which is currently used for access
5 transport services and was outlined in the discussion of interconnection
6 services.

7

8 Q. HAS BELLSOUTH MET ITS OBLIGATIONS TO FULLY IMPLEMENT
9 THIS CHECKLIST ITEM?

10

11 A. Yes. BellSouth has either provided local transport or is capable of providing it
12 if ordered.

13

14 **CHECKLIST ITEM NO. 6: LOCAL SWITCHING UNBUNDLED**
15 **FROM TRANSPORT, LOCAL LOOP TRANSMISSION, OR OTHER**
16 **SERVICES.**

17 **(THIS SECTION RESPONDS TO COMMISSION ISSUE NO. 7)**

18

19 Q. WHAT IS UNBUNDLED LOCAL SWITCHING?

20

21 A. Local switching is the network element that provides the functionality required
22 to connect the appropriate originating lines or trunks wired to the main
23 distributing frame or to the digital cross connect panel to a desired terminating
24 line or trunk. The most common local switching capability involves the line
25 termination (port) and the line side switching (dialtone) capability in the

1 central office. The functionality includes all of the features, functions, and
2 capabilities provided for the given class of service, including features inherent
3 to the switch, the switch software and vertical features, such as Call Waiting.
4 It also provides access to additional capabilities such as common and dedicated
5 transport, out of band signaling, 911 emergency services, operator services,
6 directory services, repair service, etc. The ALEC, in purchasing unbundled
7 local switching, will determine which vertical features it wishes to activate and
8 which additional unbundled elements it wishes to use in conjunction with the
9 unbundled switching. Selective routing, discussed under checklist item No.
10 10, is also available to carriers purchasing unbundled switching. It will route
11 originating calls from the switch to a specific terminating line, platform or
12 trunk. The most typical application may be to direct calls from the unbundled
13 switch to an ALEC designated operator service. Initially, there may be a
14 capacity limitation in some central offices due to the exhaustion of the line
15 class codes that will be used to provide these functions.

16
17 In its December 31, 1996 Final Order on Arbitration in the consolidated
18 dockets, in the discussion of unbundled network elements, the Commission
19 referenced the FCC's definition of the local switching network element from
20 FCC Rules Section 51.319 (c) (1) (i). This definition includes custom calling
21 features within the definition of switching functions. The reference to this
22 definition within this section of the Commission Order implies that when local
23 switching is purchased as an unbundled network element, vertical services
24 shall be included in the price of the unbundled switching element at no
25 additional charge. (Order No. PSC-96-1579-FOF-TP, pages 15-16) Further, in

1 its March 19, 1997 Final Order on Motions for Reconsideration in the
2 consolidated docket, regarding the definition of local switching, the
3 Commission stated: "We agree with AT&T that our definition is supported by
4 the FCC and the evidence contained in the record of this proceeding. We shall
5 not revisit this issue." (Order No. PSC-97-0298-FOF-TP, Page 21)

6
7 BellSouth did not include the costs for these vertical services in its unbundled
8 local switching service cost studies filed in any of the arbitration cases in
9 Florida. BellSouth believes that vertical services are separate and distinct retail
10 services and therefore should be priced as retail services at the resale discount.
11 Nevertheless, the Statement provides unbundled local switching, including the
12 vertical features, at the prices ordered by the Commission in the arbitration
13 proceedings.

14
15 Q. WHAT IS BELLSOUTH OFFERING TO ALECS IN ITS STATEMENT TO
16 PROVIDE UNBUNDLED SWITCHING IN COMPLIANCE WITH THIS
17 CHECKLIST ITEM?

18
19 A. In Section VI of its Statement, BellSouth offers a variety of switching ports
20 and associated usage unbundled from transport, local loop transmission and
21 other services. These include 2-wire and 4-wire analog ports, 2-wire and 4-
22 wire ISDN ports, and hunting. Additional port types will be made available
23 under the Bona Fide Request process. BellSouth will provide selective routing
24 on an interim basis to an ALEC's desired platform using line class codes
25 subject to availability and in accordance with the Commission's December 31,

1 1996 Final Order on Arbitration in the consolidated dockets. BellSouth offers
2 the local switching unbundled from transport and local loop transmission,
3 which are available as separate offerings in the Statement.

4

5 The selective routing capability as offered using line class codes is subject to
6 the availability of these codes in each central office switch and will be offered
7 on a first-come, first-served basis. Should the codes become exhausted, new
8 ALECs operating under the Statement will not be able to purchase this feature
9 until:

- 10 1) a longer term, more efficient means of offering selective routing is available;
11 2) carriers that have line class codes turn back some of them to BellSouth; or,
12 3) the Commission decides to alter the first-come, first-served methodology.

13 BellSouth will work with the industry to design and implement a long-term
14 solution for selective routing.

15

16 In addition, as described in the discussion of Directory Assistance and
17 Operator Services, selective routing is also available to obtain branding
18 capability from BellSouth.

19

20 Q. WHAT ARE BELLSOUTH'S PRICES FOR UNBUNDLED SWITCHING?

21

22 A. BellSouth offers the following rates in its Statement for the unbundled ports
23 and end-office switching:

24

Unbundled Local Switching	Monthly	Nonrecurring First/Additional
Unbundled Ports, per line		
2-Wire Analog	\$2.00	\$38.00/\$15.00
4-Wire Analog	\$10.00	\$38.00/\$15.00
2-Wire ISDN Digital	\$13.00	\$88.00/\$66.00
4-Wire ISDN DS1	\$125.00	\$112.00/\$91.00
2-Wire Hunting, per line	\$0.20	\$3.00/\$3.00
End Office Switching, per minute	\$0.0175, initial min. \$0.005, add'l. min.	

1

2

The rates for selective routing, which are based on rates in BellSouth's

3

Interconnection Agreements with AT&T in other states, are as follows:

4

Selective Routing	Each	Nonrecurring
Per Line or PBX Trunk	\$3.90	\$10.00

5

6

Q. IS BELLSOUTH'S UNBUNDLED SWITCHING OFFERING IN COMPLIANCE WITH DECISIONS OF THE FLORIDA COMMISSION?

7

8

9

A. Yes. The Commission set a \$2.00 rate for the unbundled 2-wire port in its March 29, 1996 Order in Docket No. 950984-TP. The Commission established charges for additional unbundled ports and associated usage in its December 31, 1996 Final Order on Arbitration in the consolidated dockets. BellSouth has proposed these same arbitrated rates in its Statement.

10

11

12

13

1

2 Q. HAS BELLSOUTH AGREED TO PROVIDE UNBUNDLED SWITCHING
3 IN ITS INTERCONNECTION AGREEMENTS?

4

5 A. Yes. BellSouth has negotiated agreements, many of which include the
6 provision of unbundled switching. The provision of the various ports and
7 associated usage have been negotiated at the rates contained in the agreements.
8 Different rates have been established for the various ports to reflect their
9 differing characteristics and cost.

10

11 Q. IS THERE ANY DIFFERENCE IN THE UNBUNDLED SWITCHING
12 INCLUDED IN THESE NEGOTIATED AGREEMENTS AND THE
13 STATEMENT?

14

15 A. Yes. As with the agreements noted above, they include a more bundled
16 version of switching that includes the elements of common transport, tandem
17 switching, and end office switching (at the terminating end), all of which
18 would be needed to complete a local call. The Statement disaggregates the
19 switching and allows the ALEC to purchase the elements separately.

20

21 Q. WHAT PROCESS IS OFFERED TO AN ALEC FOR ORDERING
22 UNBUNDLED SWITCHING WITH BELLSOUTH?

23

24 A. The ordering and provisioning of unbundled elements by an ALEC are set
25 forth in the ALEC-to-BellSouth Ordering Guidelines. Specifically, the ALEC

1 will place a local service request (LSR) for the port/switching functionality
2 with the LCSC via Electronic Data Interchange (EDI) or facsimile. The
3 current installation intervals range from 1 to 7 days, depending on the load
4 volume in the switching entity. Billing for the port/switching functionality is
5 handled in the Customer Record Information System (CRIS). Billing is
6 currently provided in CRIS format.

7

8 Q. HAS BELLSOUTH MET ITS OBLIGATIONS TO FULLY IMPLEMENT
9 THIS CHECKLIST ITEM?

10

11 A. Yes. BellSouth has either provided local switching unbundled from transport,
12 local loop transmission, or other services, or is capable of providing it if
13 ordered.

14

15 **CHECKLIST ITEM NO. 7: NONDISCRIMINATORY ACCESS TO:**

16 (I) 911 AND E911 SERVICES;

17 (II) DIRECTORY ASSISTANCE SERVICES TO ALLOW
18 THE OTHER CARRIER'S CUSTOMER TO OBTAIN
19 TELEPHONE NUMBERS; AND

20 (III) OPERATOR CALL COMPLETION SERVICES.

21 (THIS SECTION RESPONDS TO COMMISSION ISSUE NO. 8)

22

23 Q. DESCRIBE BELLSOUTH'S SERVICE OFFERING FOR 911 AND
24 ENHANCED 911 (E911) EMERGENCY SERVICES.

25

1 A. Access to 911 service provides a universal, easy-to-remember number that is
2 recognized nationally as the appropriate number to call in an emergency.
3 BellSouth offers to ALECs nondiscriminatory access to 911 and E911 service
4 within its serving territories. In all situations, an ALEC's customer will be
5 able to dial "911" in the same manner as BellSouth's end user customers,
6 unless a facilities-based ALEC's switch could not recognize these dialed digits.
7 No such situation is known or expected to exist.

8
9 BellSouth will enable an ALEC customer to have 911 call routing to the
10 appropriate Public Safety Answering Point (PSAP). BellSouth will provide
11 and validate customer information to the PSAP. BellSouth will use its service
12 order process to update and maintain the automatic Location
13 Identification/Database Management system used to support E911/911 services
14 on the same schedule that it uses for its end users.

15
16 Under resale, BellSouth shall provide E911/911 in the same manner that it is
17 provided in BellSouth's retail tariffs. BellSouth will provide facilities-based
18 ALECs equal access to provide their customer numbers and address
19 information to 911 providers. The Statement contains the terms and conditions
20 that are required to provide this service. For Basic 911 service, BellSouth will
21 provide to an ALEC a list consisting of each municipality that subscribes to
22 Basic 911 service. The list will also contain, if known, the conversion date to
23 E911 and, for network routing purposes, a 10-digit directory number
24 representing the appropriate emergency answering position for each
25 municipality subscribing to 911. The ALEC will be required to arrange to

1 accept 911 calls from its end users in municipalities that subscribe to Basic 911
2 service and translate the 911 call to the appropriate 10-digit number. The
3 ALEC will be required to route that call to BellSouth at the appropriate tandem
4 or end office. The ALEC will not have to pay for the specific 911/E911
5 functionality because those costs are borne by the municipality purchasing the
6 911/E911 service. The ALEC will of course be responsible for the trunks
7 needed to reach the appropriate BellSouth 911 switch.

8
9 For E911 service, a facilities-based ALEC will be required to install a
10 minimum of two trunks that will connect the trunk side of the ALEC's end
11 office to the BellSouth 911 tandem serving the calling customer's PSAP. The
12 trunks must be capable of carrying Automatic Number Identification (ANI) to
13 the 911 tandem and conform to appropriate standards. The trunk interface
14 between the ALEC end office and the BellSouth tandem may be either a 2-wire
15 analog interface or a digital DS1 interface. The ALEC will be required to
16 provide BellSouth daily updates to the E911 database.

17
18 If a municipality has converted to E911 service, an ALEC will be required to
19 forward 911 calls to the appropriate E911 tandem, along with the ANI, based
20 upon the current E911 end office to tandem homing arrangement. If the E911
21 tandem trunks are not available, the ALEC will be required to route the call to
22 a designated 7-digit number residing in the appropriate PSAP. This call will
23 be transported over BellSouth's interoffice network and will not carry the ANI
24 of the calling party.

25

1 Q. WHAT IS BELLSOUTH OFFERING REGARDING DIRECTORY
2 ASSISTANCE TO COMPLY WITH THIS PORTION OF CHECKLIST
3 ITEM NO. 7?
4

5 A. Section VII of BellSouth's Statement offers to perform directory assistance
6 services and other number services on behalf of facilities-based ALECs.
7 BellSouth's Directory Assistance is available on a nondiscriminatory basis to
8 ALECs providing local exchange service to end user customers in exchanges
9 served by BellSouth. End users will be able to access BellSouth's Directory
10 Assistance Service by dialing 411 or the appropriate area code and 555-1212.
11 Additionally, BellSouth will provide routing of calls from an ALEC's
12 customer to the ALEC's directory assistance platform through 411 and 555-
13 1212 dialing arrangements
14

15 *Providing directory assistance from an ALEC's own switch requires that the*
16 *call be delivered to the Operator Service Switch in a terminating Feature Group*
17 *D format. The originating call will be delivered to the Number Services*
18 *Switch over a dedicated trunk facility. Standard trunk signaling formats will*
19 *be used to send the originating call to the Operator Services Switch. If the*
20 *ALEC provides ANI, additional services such as Directory Assistance Call*
21 *Completion may be provided.*
22

23 In addition to routing to an ALEC's directory assistance platform as described
24 in the previous section regarding unbundled switching, BellSouth will provide
25 an ALEC access to BellSouth-provided Directory Assistance (DA) Services on

1 a branded basis through selective routing. Such selective routing can only be
2 provided in conjunction with unbundled local switching or BellSouth's resold
3 local exchange service.

4
5 As information, the Commission's December 31, 1996 Final Order on
6 Arbitration in the consolidated dockets required BellSouth to provide branding
7 or unbranding for AT&T and MCI customers for operator service and directory
8 assistance calls. The Commission ordered "that when representing AT&T or
9 MCI, BellSouth personnel must: 1) advise customers that they are representing
10 AT&T or MCI; 2) provide customers with AT&T or MCI supplied "leave
11 behind" cards; and 3) refrain from marketing BellSouth directly, or indirectly,
12 to AT&T or MCI customers." (Order No. PSC-96-1579-FOF-TP, page 64)

13
14 BellSouth will include both facilities-based and reseller ALEC's subscriber
15 listings in BellSouth's Directory Assistance databases, and BellSouth will not
16 charge the ALEC to maintain the Directory Assistance database. The ALEC
17 must agree, however, to cooperate with BellSouth in formulating appropriate
18 procedures regarding lead-time, timeliness, format and content of listing
19 information. The service order process will be used to add, delete or modify
20 listings for the Directory Assistance database in the same manner and within
21 the same intervals that BellSouth end user listings are populated in such
22 databases.

23
24 BellSouth also offers three services to ALECs that will provide them with
25 access to BellSouth's Directory Assistance database under the same terms and

1 conditions currently offered to other telecommunications providers. These
2 include:

3

- 4 1) Directory Assistance Access Service, by which BellSouth currently
5 provides Directory Assistance to IXCs;
- 6 2) Direct Access Directory Assistance Service (DADAS), which provides
7 direct on-line access to BellSouth's directory assistance database; and
- 8 3) Directory Assistance Database Service (DADS), which provides a copy of
9 the BellSouth Directory Assistance database.

10

11 Q. WHAT IS BELLSOUTH OFFERING IN ITS STATEMENT REGARDING
12 OPERATOR CALL COMPLETION SERVICES TO COMPLY WITH THE
13 CHECKLIST REQUIREMENT?

14

15 A. BellSouth will make available its operator call completion to ALECs in the
16 same manner that it provides operator services to its own customers. An
17 ALEC's customer can dial "0" and be connected to a BellSouth operator or that
18 call can be directed to an ALEC's operator services platform. Additionally,
19 BellSouth will offer Centralized Message Distribution System - Hosting
20 (CMDS-Hosting) and Non-Sent Paid Report System (NSPRS) processing. The
21 BellSouth Operator Services offerings are:

22

23 *Busy Line Verification (BLV) and Busy Line Verification and Emergency*
24 *Interrupt (BLVI)* allow an end user to request the operator to verify that a line
25 is busy or to interrupt a conversation that is in progress.

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Operator Call Processing Access Service provides operator and automated call handling. This includes processing and verification of alternative billing information for collect, calling card, and billing to a third number. Unbundled Operator Call Processing Access Service for facilities-based carriers also provides customized call handling, dialing instructions, and other operator assistance that the customer may desire.

Operator Services Transport services used to transport calls to the operator systems are provided based on the rates, terms and conditions as set forth in BellSouth's Intrastate Access Service Tariff. Further, to the extent an ALEC resells BellSouth's local services or purchases unbundled local switching, the ALEC may also obtain selective routing that would allow an operator call to route to a BellSouth operator and be branded for the reseller. This capability is explained in more detail in the discussion of selective routing.

BellSouth will also offer an intercept service to facilities-based ALECs. This capability would be identical to that which is used today. If an end user called the ALEC's end user, the call would be "intercepted" in the event of a number change or disconnect.

Centralized Message Distribution System (CMDS) Hosting is the Bellcore administered national system used with Exchange Message Record (EMR) formatted messages among host companies. All intraLATA and local messages originated and billed in the BellSouth region involving BellSouth

1 CMDS hosted companies will be processed through the Non-Sent Paid Report
2 System (NSPRS) system. NSPRS includes:

- 3 (1) a mechanized report system that provides the BellSouth CMDS
4 hosted companies with the BellSouth region information regarding
5 non-sent paid message and revenue occurring on calls originated and
6 billed within the BellSouth region;
7 (2) distribution of Bellcore produced Credit Card and Third Number
8 System (CATS) reports and administration of associate elements; and,
9 (3) distribution of Bellcore produced non-conterminous CATS reports
10 and administration of associate settlements.

11

12 Q. WHAT ARE BELLSOUTH'S PRICES FOR THESE SERVICES?

13

14 A. ***911 and E911***

15 For 911 and E911, the ALEC will provide its own trunk facilities or can lease
16 these facilities through Switched Dedicated Transport at the proposed rates in
17 this Statement or applicable tariffs. The rate for the provision of 911 will be
18 billed to the appropriate municipality.

19

20 Prices for other services under this checklist item, as established by the
21 Commission in its arbitration orders, are listed on the following chart:

22

23

24

25

Directory Assistance Access Service (DAAS)	Monthly	Nonrecurring
DA Call Completion - Per Call Attempt	\$0.03	
Call Completion Access Termination Charge, Per Complete	\$0.06	
Number Services Intercept - Per Query	\$0.01	
DAAS Call, per call	\$0.25	
Directory Transport		
- Switched local channel - DS1 level, per L.C.	\$133.81	\$866.97 1st \$486.83 Add'l.
- Switched dedicated transport - DS1 level		
- per mile	\$16.75	
- Facilities termination	\$59.75	\$100.49
- Switched common transport		
- per DAAS call	\$0.00030	
- per DAAS call mile	\$0.00001	
- Access tandem switching, per DAAS call	\$0.00055	
- DA Interconnection, per DAAS call	Bona Fide	Request
- Installation, trunk side service, per trunk or signaling connection		Bona Fide Request
Directory Assistance Database Service (DADS)	\$100.00	
- Use Fee, per DADS Request, Listing	\$0.0010	
Direct Access to Directory Assistance Service (DADAS)		
- DADAS Database Service Charge	\$5,000.00	
- DADAS, per query	\$0.01	
- DADAS Service Establishment		\$820.00

1

2

Operator Services

1 The rates proposed for operator services and verification and interrupt services
 2 listed below are the prices established by the Commission in the December 31,
 3 1996 Final Order on Arbitration in the consolidated dockets.

Operator Services	Rate
Operator Provided Call Handling	\$1.00 per minute
Automated Call Handling	\$0.10 per attempt

5
 6 A charge will also apply per local call attempt and is in addition to the
 7 Operator Provided Call Handling charge listed above. This charge, as
 8 contained in BellSouth's interconnection agreement with ACSI, is \$0.06 per
 9 attempt and reflects the completion of the call on BellSouth's network. For
 10 example, had a facilities-based ALEC completed a comparable local call on a
 11 direct dialed basis, interconnection charges would have applied. This rate will
 12 be assessed in lieu of any interconnection charges that would typically apply.
 13 This situation is necessitated by the lack of recording capabilities on these type
 14 of calls.

15
 16 BLV and BLVI are offered pursuant to rates in the Commission's December
 17 31, 1996 Final Order on Arbitration in the consolidated dockets. These rates
 18 are:

Operator Services	Rate Per Occurrence
Busy Line Verification	\$0.80
Emergency Interrupt Service	\$1.00

1
2
3
4
5

Rates for CMDS-Hosting and NSPRS have not been arbitrated. The charges listed below are rates which are charged to IXC's for similar functions and have been negotiated in local interconnection agreements, such as the one with ICI.

CMDS and NSPRS Elements	Rate Per Message
CMDS - Hosting	
- Recording Service	\$0.008
- Message distribution	\$0.004
- Data transmission	\$0.001
NSPRS	
- Intrastate	\$0.05
- NSPRS - CATS	\$0.05
- NSPRS - Non-Conterminous	\$0.16

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The CMDS-Hosting agreement, which outlines the terms and conditions of the agreement between BellSouth and an ALEC, is included with the Statement as Attachment E.

Q. IS BELLSOUTH'S PROVISION OF 911, DIRECTORY ASSISTANCE AND OPERATOR CALL COMPLETION SERVICES IN COMPLIANCE WITH DECISIONS OF THE COMMISSION?

A. Yes. The Commission addressed the provision of E911/911, directory assistance and operator call completion services in its March 29, 1996 Order in

1 Docket No. 950985-TP and in the December 31, 1996 Final Order on
2 Arbitration in the consolidated dockets. The Commission found that BellSouth
3 had established technically feasible methods to provide access to their
4 directory assistance database. BellSouth is offering directory assistance access
5 to ALECs in its Statement.

6
7 Disputed issues raised in the arbitration proceedings were the prices and the
8 routing and branding of DA and operator handled traffic. The prices for
9 Directory Assistance Services and Operator Call Completion Services were
10 addressed and ordered in the Commission's December 31, 1996 Final Order on
11 Arbitration in the consolidated dockets. The prices in the Statement comply
12 with this Order.

13
14 Q. DOES BELLSOUTH PROVIDE NONDISCRIMINATORY ACCESS TO
15 THESE SERVICES IN ITS INTERCONNECTION AGREEMENTS?

16
17 A. Yes. BellSouth has included the provision of 911/E911, directory assistance
18 and operator call completion services in its agreements with facilities-based
19 carriers and with resellers.

20
21 Q. HOW DOES AN ALEC ORDER THESE SERVICES FROM BELLSOUTH?

22
23 A. To order 911 trunks to interconnect with BellSouth's 911 System, the
24 facilities-based ALEC transmits an ASR via facsimile or via the EXACT
25 system to the LCSC for processing. Because 911 trunks are usually ordered

1 with other interconnection trunks, the orders are handled contemporaneously.
2 Regarding installation intervals, BellSouth makes every reasonable effort to
3 honor the customer's desired due date. Based upon past experience, the
4 interval can be from two weeks to seven weeks depending on trunk quantities,
5 facilities availability and work load. Billing for 911 trunks is handled through
6 CABS. If a 911 or E911 emergency service is provided to a reseller, it will be
7 billed in the same manner as any other resold service. Also, the E911 Local
8 Exchange Carrier Guide for Facilities-Based Providers includes the appropriate
9 procedures and practices for including the ALEC's information in the
10 911/E911 databases.

11

12 For directory assistance services and/or operator call completion services, the
13 ALEC will place orders with the LCSC in a manner similar to other unbundled
14 elements. Billing will be via the CABS system for facilities-based ALECs and
15 through CRIS for resellers.

16

17 Q. HAS BELLSOUTH MET ITS OBLIGATIONS TO FULLY IMPLEMENT
18 THIS CHECKLIST ITEM?

19

20 A. Yes. BellSouth has either provided nondiscriminatory access to 911/E911,
21 directory assistance services, and operator call completion services or is
22 capable of providing it if ordered.

23

24 **CHECKLIST ITEM NO. 8: WHITE PAGES DIRECTORY LISTINGS**
25 **FOR CUSTOMERS OF THE OTHER CARRIER'S TELEPHONE**

1 **EXCHANGE SERVICES**

2 **(THIS SECTION RESPONDS TO COMMISSION ISSUE NO. 9)**

3

4 Q. PLEASE DESCRIBE THIS REQUIREMENT.

5

6 A. This checklist item requires that BellSouth's interconnection offerings include
7 the provision of a directory listing in the White Pages directory for each
8 customer served by an ALEC.

9

10 Q. WHAT IS BELLSOUTH OFFERING TO ALECS IN ITS STATEMENT TO
11 PROVIDE WHITE PAGES LISTINGS IN COMPLIANCE WITH THIS
12 CHECKLIST ITEM?

13

14 A. BellSouth obtains directory publication services from one of its affiliates,
15 BellSouth Advertising and Publishing Corporation (BAPCO). BellSouth will
16 arrange with its directory publisher to make available to any ALEC, for their
17 subscribers, White Pages directory listings which include the subscriber's
18 name, address and telephone number. ALEC subscribers shall receive no less
19 favorable rates, terms and conditions for directory listings than are provided to
20 BellSouth's subscribers. For example, the same information will be included,
21 the same type size will be used and the geographic coverage will be the same.

22

23 Listings for an ALEC's residential and business customers shall be included in
24 the appropriate White Pages or local alphabetical directories (including foreign
25 language directories as appropriate). These listings will be included with all

1 other LECs' listings without any distinction as to the LEC providing the local
2 service. Copies of such directories shall be delivered to an ALEC's
3 subscribers.

4
5 As information, the Act only requires "white pages" listings to meet the
6 checklist. BAPCO, however, has agreed that an ALEC's business subscribers'
7 listings shall also be included in the appropriate Yellow Pages or local
8 classified directories. ALECs will also be provided with the necessary
9 publishing information to process subscribers' directory listings requests, such
10 as classified heading information, publishing schedules, processes for
11 obtaining foreign directories, and information about listing the ALEC's
12 customer service information in the Customer Guide pages. BellSouth will
13 provide each ALEC with the proper format for submitting subscriber listings.
14 These procedures are outlined in the ALEC ordering guidelines. Directory
15 listing information will be accorded the same level of confidentiality provided
16 to BellSouth's own directory listing information.

17
18 Q. WHAT ARE BELLSOUTH'S PRICES FOR DIRECTORY LISTINGS?

19
20 A. Subscriber primary listing information in the White Pages received in the
21 standard format shall be provided at no charge to an ALEC or an ALEC's
22 customer. Additional listings and optional listings in the White Pages will be
23 provided at rates set forth in BellSouth's intrastate General Subscriber Service
24 Tariffs.

25

1 Q. IS BELLSOUTH'S ARRANGEMENT FOR PROVISION OF DIRECTORY
2 LISTINGS CONSISTENT WITH THE ACT?

3

4 A. Yes. The Commission found in its March 29, 1996 Order for Docket No.
5 950985-TP that BellSouth was required to provide directory listings and
6 directory distribution at no charge to the ALEC and provide the appropriate
7 database format for ALECs to submit information. (Order No. PSC-96-0445-
8 FOF-TP, pages 27-29) In the same proceeding, the Commission found that
9 enhanced listings shall be provided to ALEC customers at the same rates,
10 terms and conditions offered to BellSouth customers. (Order, page 29)
11 BellSouth's Statement includes these provisions and is in compliance with the
12 Act's checklist requirements.

13

14 Q. HAS BELLSOUTH AGREED TO PROVIDE DIRECTORY LISTINGS IN
15 ITS INTERCONNECTION AGREEMENTS?

16

17 A. Yes. All agreements negotiated with resellers and facilities-based carriers have
18 included arrangements for the provision of directory listings in the White
19 Pages.

20

21 Q. HAS BELLSOUTH MET ITS OBLIGATIONS TO FULLY IMPLEMENT
22 THIS CHECKLIST ITEM?

23

24 A. Yes. BellSouth has either provided white pages directory listings or is capable
25 of providing it if ordered.

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CHECKLIST ITEM NO. 9: UNTIL THE DATE BY WHICH TELECOMMUNICATIONS NUMBERING ADMINISTRATION GUIDELINES, PLAN, OR RULES ARE ESTABLISHED, NONDISCRIMINATORY ACCESS TO TELEPHONE NUMBERS FOR ASSIGNMENT TO THE OTHER CARRIER'S TELEPHONE EXCHANGE SERVICE CUSTOMERS. AFTER THAT DATE, COMPLIANCE WITH SUCH GUIDELINES, PLAN, OR RULES. (THIS SECTION RESPONDS TO COMMISSION ISSUE NO. 10)

Q. DOES BELLSOUTH'S STATEMENT OFFER NONDISCRIMINATORY ACCESS TO TELEPHONE NUMBERS AS REQUIRED BY THE ACT?

A. Yes. BellSouth, as the North American Numbering Plan (NANP) Administrator for its territory, will ensure that ALECs have nondiscriminatory access to telephone numbers for assignment to their customers. BellSouth will provide numbering resources pursuant to the Bellcore Guidelines regarding number assignment. At such time as BellSouth is no longer the NANP Administrator, BellSouth will comply with the final and non-appealable guidelines, plan or rules adopted pursuant to Section 251(e) of the Act which addresses creation or designation by the FCC of a numbering administrator(s).

Q. HAS THIS ITEM BEEN PRESENTED TO THE COMMISSION THROUGH INTERCONNECTION AGREEMENTS THAT BELLSOUTH AND OTHER PARTIES HAVE ENTERED INTO, AND IS BELLSOUTH'S STATEMENT

1 CONSISTENT WITH SUCH DECISIONS?

2

3 A. Yes. In its March 29, 1996 Order in Docket No. 950985-TP, the Commission
4 ordered that “until the issue of a neutral administrator is decided at the federal
5 level, BellSouth, as the current code administrator, shall provide
6 nondiscriminatory NXX assignments to ALECs on the same basis that such
7 assignments are made to itself and other code holders today.” (Order No.
8 PSC-96-0445-FOF-TP, page 39)

9

10 This issue has not been disputed in arbitration proceedings. BellSouth’s
11 Statement complies with both the Act and with orders of this Commission.
12 BellSouth should point out, however, that it will not determine how ALECs
13 deploy NXX codes and how they adhere to the existing or revised NPA
14 designation.

15

16 Q. HAS BELLSOUTH MET ITS OBLIGATIONS TO FULLY IMPLEMENT
17 THIS CHECKLIST ITEM?

18

19 A. Yes. BellSouth has either provided nondiscriminatory access to telephone
20 numbers or is capable of providing it if ordered.

21

22 **CHECKLIST ITEM NO. 10: NONDISCRIMINATORY ACCESS TO**
23 **DATABASES AND ASSOCIATED SIGNALING NECESSARY FOR**
24 **CALL ROUTING AND COMPLETION.**

25 **(THIS SECTION RESPONDS TO COMMISSION ISSUE NO. 11)**

1

2 Q. PLEASE DESCRIBE "ACCESS TO DATABASES AND ASSOCIATED
3 SIGNALING" AS COVERED BY THIS CHECKLIST ITEM.

4

5 A. Incumbent LECs must provide access to their signaling elements necessary for
6 call routing and completion. Signaling elements include: Signaling Links,
7 which are dedicated transmission paths carrying signaling messages between
8 carriers' switches and signaling networks; Signal Transfer Points (STPs) which
9 are signaling message switches that interconnect Signaling Links to route
10 signaling messages between switches and databases; and Service Control
11 Points (SCPs), which are databases containing customer and/or carrier-specific
12 routing, billing or service instructions.

13

14 Q. WHAT IS BELLSOUTH OFFERING TO ALECS IN ITS STATEMENT
15 THAT COMPLIES WITH CHECKLIST ITEM NO. 10 AND PROVIDES
16 THE COMPONENTS AS IDENTIFIED ABOVE?

17

18 A. BellSouth's Statement provides for access to the following components:
19 Signaling Link Transport, STPs, and SCPs/Databases.

20

21 *Signaling Link Transport* is a dedicated set of two or four 56 kbps transmission
22 paths between ALEC-designated Signaling Points of Interconnection (SPOI)
23 that provides appropriate physical diversity and a cross connect at a BellSouth
24 STP site. BellSouth offers a Signaling Link Transport as an "A-link" which is
25 a connection between a switch or Service Switching Point (SSP) and a home

1 STP pair, and as a “B-link” which is a connection between two STP pairs in
2 different company networks (for example, between two STP pairs for two
3 ALECs).

4
5 *STPs* provide the functionality that enables the exchange of Signaling System 7
6 (SS7) messages between switching elements, database elements and STPs.
7 STPs provide access to other network elements connected to the BellSouth SS7
8 network including: 1) BellSouth provided Local Switching or Tandem
9 Switching, 2) BellSouth provided SCPs/Databases, 3) Third-party provided
10 Local Switching or Tandem Switching, and 4) Third-party provided
11 SCPs/Databases.

12
13 *SCPs/Databases* are the Network Elements that provide the functionality for
14 storage of, access to, and manipulation of information required to offer a
15 particular service and/or capability. Databases include, but are not limited to:
16 1) LIDB; 2) Toll Free Number Database; 3) Automatic Location
17 Identification/Data Management System; 4) Advanced Intelligent Network
18 (AIN); and, 5) Selective Routing.

19
20 *Line Information Database (LIDB)*

21 The LIDB is a transaction-oriented database accessible through the SS7
22 networks containing records associated with subscriber line numbers and
23 special billing numbers. LIDB accepts queries from other network elements or
24 an ALEC’s network and provides appropriate responses. The queries include
25 functions such as screening billed numbers that provide the ability to accept

1 collect or third number billing calls and validation of telephone line number
2 based non-proprietary calling cards.

3

4 *Toll Free Number Database*

5 The Toll Free Number Database is a SCP that provides functionality necessary
6 for toll free (for example, 800 and 888) number services.

7

8 *Automatic Location Identification/Data Management System (ALI/DMS)*

9 The ALI/DMS database contains subscriber information used for determining
10 which Public Safety Answering Point (PSAP) to route a 911 call.

11

12 *Advanced Intelligent Network (AIN) Access, Service Creation Environment
13 and Service Management System (SCE/SMS) Advanced Intelligent Network
14 Access*

15 BellSouth offers all BellSouth SCP-based AIN retail services available for
16 resale to ALECs. ALECs will be given the opportunity to develop competitive
17 AIN service applications via unbundled access to BellSouth's SCE/SMS.

18 Where technically feasible, access to BellSouth's resold services and ALEC-
19 created services may be supported from both ALEC and BellSouth local
20 switches.

21

22 SCE/SMS AIN access provides ALECs the ability to create service
23 applications utilizing BellSouth's AIN service creation tools and deploy those
24 applications via the BellSouth SMS to BellSouth's SCPs. Such capability
25 provides the same AIN service development opportunities for ALECs as

1 presented to BellSouth in utilization of its basic AIN programmable tools.

2

3 The Statement is likely to be most useful to ALECs that choose not to negotiate
4 their own agreements. As such, BellSouth believes a mediated form of AIN
5 will be adequate to meet the needs of these carriers. Mediation will not hinder
6 their ability to use AIN capability, but rather will simplify the process that they
7 can use to connect their AIN applications as compared to an unmediated
8 situation.

9

10 *Selective Routing*

11 Selective routing allows an ALEC purchasing unbundled local switching or
12 reselling BellSouth's local exchange services to reach an ALEC's operator,
13 directory assistance, or repair center using the same dialed digits as employed
14 by BellSouth (for example, 411 for DA or 0- for an operator). It also allows
15 the ALEC to obtain a branded operator services capability using BellSouth's
16 operators, as previously described in the checklist item related to the provision
17 of directory assistance and operator call completion services.

18

19 Q. PLEASE EXPLAIN WHY YOU HAVE INCLUDED SELECTIVE
20 ROUTING AS A ROUTING DATABASE.

21

22 A. The Commission has required that BellSouth provide selective routing to
23 purchasers of unbundled local switching. As noted above, this capability will
24 allow an ALEC to route calls from a BellSouth switch to an ALEC's operator,
25 directory assistance, or repair center using the same dialed digits as used by

1 BellSouth or to route to a BellSouth operator for a branded service. Initially,
 2 BellSouth will use line class codes as the means to provide this capability. It is
 3 envisioned that a more efficient method using database technology will
 4 eventually be implemented. For this reason, selective routing has been
 5 included in the overall discussion of routing databases.

6
 7 While including selective routing here, it is understood that the use of line class
 8 codes on a first-come, first-served basis is a finite resource and subject to
 9 exhaust. Therefore, while this interim plan will be available to hopefully all
 10 ALECs desiring the capability, some may not be able to avail themselves of
 11 this offering.

12
 13 Q. WHAT ARE BELL SOUTH'S PRICES FOR ITS SIGNALING/DATABASE
 14 SERVICES?

15
 16 A. As specified in Exhibit RCS-2, attached to this testimony, BellSouth offers the
 17 following rates for its signaling/database services:

18

Signaling/Database Services	Monthly	Nonrecurring First/Add'l.
CCS7 Signaling Connections (Links)		
- CCS7 Signaling Connection Link	\$5.00	\$400.00
- CCS7 Signaling Termination (Port)	\$113.00	
- Signaling Surrogate Per 56 kbps Facility	\$64.00	
- Call Setup Message	\$0.00001	

Signaling/Database Services	Monthly	Nonrecurring First/Add'l.
- TCAP Message Per Message	\$0.00004	
Service Control Points		
LIDB Validation	Bona Fide	
800 Access Ten Digit Screening Service	Request	
Selective Routing		
- Line or PBX Trunk, each	\$3.90	\$10.00

1

2 Q. ARE BELLSOUTH'S SIGNALING/DATABASE OFFERINGS USED FOR
3 ROUTING IN COMPLIANCE WITH DECISIONS OF THE COMMISSION?

4

5 A. Yes. In its December 31, 1996 Final Order on Arbitration in the consolidated
6 dockets, the Commission established rates for unbundled signaling only.
7 BellSouth has included these ordered rates for signaling as well as database
8 query rates that have been negotiated in other agreements. The only issue
9 raised in arbitration regarding the provision of signaling was whether or not a
10 mediation mechanism was necessary. The Commission addressed this issue in
11 its December 31, 1996 Final Order on Arbitration in the consolidated dockets,
12 stating "we find that BellSouth shall provide access to its SS7 network and
13 AIN as envisioned by the FCC's rules and order. We find that there is
14 sufficient record to warrant BellSouth's request for a mediation device.
15 BellSouth shall be allowed to use mediation mechanisms as necessary." (Order
16 No. PSC-96-1579-FOF-TP, page 21)

17

1 The rate of \$0.00004 per message for AIN was included in the Commission's
2 March 19, 1997 Order on Reconsideration, No. PSC-97-0300-FOF-TP, page 5.

3

4 Q. HAS BELLSOUTH AGREED TO PROVIDE SIGNALING/DATABASE
5 SERVICES IN ITS NEGOTIATED AGREEMENTS WITH OTHER ALECS?

6

7 A. Yes. BellSouth has negotiated several interconnection agreements with
8 ALECs, which contain prices, terms and conditions for signaling/database
9 services other than AIN. One such agreement is with ICI which states: "Each
10 party will offer to the other party use of its signaling network and signaling
11 databases on an unbundled basis at published tariffed rates. Signaling
12 functionality will be available with both A-link and B-link connectivity."

13

14 Q. WHAT PROVISIONS HAS BELLSOUTH MADE TO ALLOW ALECS TO
15 ORDER SIGNALING SERVICES, AND HOW WILL BILLING BE
16 ACCOMPLISHED?

17

18 A. In much the same manner that an ALEC orders interconnection or unbundled
19 network elements, an ALEC will also order signaling services. An ALEC
20 order for signaling, using the standard ASR, is accepted in the LCSC through
21 the EXACT system. The installation interval is negotiated with the ALEC,
22 typically requiring five days per 96 voice trunks. Billing is accomplished
23 through CABS for facilities-based ALECs.

24

25 Regarding the LIDB database, the ALEC enters into a LIDB Storage

1 Agreement with BellSouth. Facilities-based ALECs then complete a form that
2 is forwarded to the Database Administration Center (DBAC) to request loading
3 of the ALEC's data. The DBAC updates LIDB and the service order systems
4 with the ALEC's customer data. The interval for the initial loading of the
5 ALEC's NXX data is negotiated, depending on the volume of telephone
6 numbers involved, but should not exceed 60 days. For resold services,
7 standard service orders populate the LIDB database in the same time frame and
8 the same manner as for BellSouth end user customers.

9
10 For ordering AIN, the ALEC initiates an ASR to the LCSC. The interval for
11 AIN Toolkit 1.0 and AIN SMS Access 1.0 is seven days from the application.
12 Initially, the ALEC will be billed via CRIS, but this is expected to migrate to
13 CABS later this year.

14
15 Q. HAS BELLSOUTH MET ITS OBLIGATIONS TO FULLY IMPLEMENT
16 THIS CHECKLIST ITEM?

17
18 A. Yes. BellSouth has either provided nondiscriminatory access to databases and
19 associated signaling necessary for call routing and completion or is capable of
20 providing it if ordered.

21
22 **CHECKLIST ITEM NO. 11: UNTIL THE DATE BY WHICH THE**
23 **COMMISSION ISSUES REGULATIONS PURSUANT TO SECTION**
24 **251 TO REQUIRE NUMBER PORTABILITY, INTERIM**
25 **TELECOMMUNICATIONS NUMBER PORTABILITY THROUGH**

1 **REMOTE CALL FORWARDING, DIRECT INWARD DIALING**
2 **TRUNKS, OR OTHER COMPARABLE ARRANGEMENTS, WITH AS**
3 **LITTLE IMPAIRMENT OF FUNCTIONING, QUALITY,**
4 **RELIABILITY, AND CONVENIENCE AS POSSIBLE. AFTER THAT**
5 **DATE, FULL COMPLIANCE WITH SUCH REGULATIONS.**
6 **(THIS SECTION RESPONDS TO COMMISSION ISSUE NO. 12)**

7

8 Q. WHAT ARE THE REQUIREMENTS FOR NUMBER PORTABILITY IN
9 SECTION 251 OF THE ACT?

10

11 A. Section 251(b)(2) lists number portability as an obligation of all LECs. As a
12 LEC, BellSouth has the duty to provide, to the extent technically feasible,
13 number portability according to requirements prescribed by the FCC.

14

15 Q. PLEASE DESCRIBE NUMBER PORTABILITY BASED ON THE
16 REQUIREMENTS OF THE ACT.

17

18 A. Local number portability is a service arrangement that allows
19 telecommunications customers to retain, at the same location (or nearby
20 location that is served by the same BellSouth central office), their existing
21 telephone numbers when switching from one telecommunications carrier to
22 another facilities-based ALEC. The Act requires that number portability be
23 provided without impairing the quality, reliability, or convenience for the
24 customer.

25

1 Q. HAS THE FCC ADDRESSED THIS CHECKLIST ITEM, AND IF SO, IN
2 WHAT MANNER?

3

4 A. Yes. The FCC issued regulations regarding number portability on July 2,
5 1996, in the First Report and Order and Further Notice of Proposed
6 Rulemaking in CC Docket No. 95-116 ("Order No. 96-286") and in its First
7 Memorandum Opinion and Order on Reconsideration dated March 6, 1997
8 ("Order No. 97-74").

9

10 In its July 2, 1996 Order, the FCC found that currently available number
11 portability measures should be provided until a long-term portability method is
12 technically feasible and available. The July 2, 1996 Order establishes
13 guidelines that LECs must meet when selecting long-term number portability
14 methods. The FCC does not specify a particular technology for providing
15 number portability in the interim, but the Order describes Remote Call
16 Forwarding (RCF) and Direct Inward Dialing (DID) as the "only methods
17 technically feasible" (FCC Order No. 96-286, paragraph 110).

18

19 Q. WHAT NUMBER PORTABILITY SOLUTIONS IS BELLSOUTH
20 OFFERING TO ALECS IN ITS STATEMENT TO COMPLY WITH
21 CHECKLIST ITEM NO. 11?

22

23 A. In its Statement, BellSouth describes interim number portability arrangements
24 that satisfy the components of checklist item No. 11, FCC Order No. 96-286,
25 and decisions of this Commission. BellSouth can provide interim number

1 portability through several methods, for example, RCF, DID, route index
2 portability hub, direct number route index, and local exchange routing guide
3 (LERG) reassignment to the NXX level. However, BellSouth envisions that
4 the ALECs using the Statement would typically utilize RCF and possibly DID.
5 Therefore, these are the only methods for number portability that have been
6 included in the Statement at this time.

7

8 RCF is an existing switch-based BellSouth service that redirects calls within
9 the telephone network by translating the dialed number to a new number. For
10 DID, BellSouth routes the call over a dedicated facility to the ALEC's switch,
11 instead of translating the dialed number to a new number.

12

13 RCF and DID are generally accepted by the industry as *de facto* interim service
14 provider number portability standards. These methods meet the requirements
15 of the Act until a permanent long-term number portability capability is fully
16 developed, tested and implemented by the industry.

17

18 Q. WHAT ARE BELLSOUTH'S PRICES FOR REMOTE CALL
19 FORWARDING (RCF) AND DIRECT INWARD DIALING (DID)?

20

21 A. The Commission addressed number portability in Docket No. 950737-TP,
22 "Investigation into temporary local telephone number portability solution to
23 implement competition in local telephone exchange markets." In its April 24,
24 1997 Order for this docket, the Commission stated:

25

1 “...we hold that all LECs shall track the costs of providing the INP
2 solutions identified in the body of this Order, until the FCC issues its
3 Order implementing a cost recovery mechanism for permanent number
4 portability. Further, all LECs are to track their INP costs with the
5 understanding that these costs are potentially recoverable through the
6 permanent number portability cost recovery mechanism. All LECs
7 should modify their tariffs to recognize the INP solutions identified in
8 the body of this Order.

9
10 We note that by this decision we are not endorsing the FCC’s
11 interpretation of the Act. We reserve the right to revisit this decision
12 should a court of law overturn the FCC’s Order.” (Order No. PSC-97-
13 0476-FOF-TP, pages 16-17)

14
15 In light of the Commission’s Order, the rate structure for interim number
16 portability is as follows:

17

Interim Number Portability	Monthly/Nonrecurring
<p>RCF</p> <p>Direct Inward Dialing</p>	<p><i>All LECs shall track the costs of providing the INP solutions identified in Commission Order No. PSC-97-0476-FOF-TP, until the FCC issues its Order implementing a cost recovery mechanism for permanent number portability.</i></p>

18
19 Q. ARE BELLSOUTH’S OFFERINGS FOR NUMBER PORTABILITY IN
20 COMPLIANCE WITH DECISIONS OF THIS COMMISSION?
21

1 A. Yes, BellSouth's offerings for interim number portability are consistent with
2 the Commission's arbitration decisions. For example, in the December 31,
3 1996 Final Order on Arbitration in the consolidated dockets, the Commission
4 found that BellSouth was willing to provide all number portability options that
5 were requested by the parties. Therefore, the method for interim number
6 portability was not arbitrated. The Commission also found "that the ALECs
7 shall provide the same temporary number portability methods as they request
8 BellSouth to provide." (Order No. PSC-96-1579-FOF-TP, page 98) BellSouth
9 offers the two primary options, RCF and DID, in its Statement. BellSouth also
10 offers other options on a negotiated basis.

11
12 A long-term solution to number portability will require standardized methods,
13 procedures and, most importantly, participation among all ALECs and ILECs.
14 The FCC and other industry forums are reviewing various options to
15 implement a national, standardized solution. BellSouth is participating in these
16 national and regional forums. BellSouth will modify its Statement to include a
17 permanent number portability solution once an industry solution is determined
18 and FCC regulations are resolved.

19
20 Q. HAS BELLSOUTH AGREED TO INTERIM SOLUTIONS FOR NUMBER
21 PORTABILITY IN ITS NEGOTIATED AGREEMENTS?

22
23 A. Yes. BellSouth has negotiated several agreements with ALECs that contain
24 solutions for interim number portability. These agreements include a
25 negotiated charge for interim number portability. The methods and

1 interconnection arrangements for the long-term solution are being developed in
2 several forums around the country. FCC Order 96-286 is currently being
3 implemented through these forums by all parties involved in number
4 portability.

5

6 Q. WHAT IS THE ORDERING PROCESS FOR INTERIM NUMBER
7 PORTABILITY?

8

9 A. An ALEC initiates a BellSouth Service Provider Number Portability form
10 (found in the Ordering Guidelines for Facilities-Based ALECs) via facsimile or
11 EDI to the LCSC. There is no established interval for accomplishing number
12 portability orders. A feature only change, such as a number change, however,
13 can be accomplished within a very short period of time, often within 24 hours.
14 If coordination of the change is required, the available resources and order
15 volume are contributing factors to establishing the completion date. Billing is
16 currently accomplished through CABS.

17

18 Q. HAS BELLSOUTH MET ITS OBLIGATIONS TO FULLY IMPLEMENT
19 THIS CHECKLIST ITEM?

20

21 A. Yes. BellSouth has either provided number portability or is capable of
22 providing it if ordered.

23

24 **CHECKLIST ITEM NO. 12: NONDISCRIMINATORY ACCESS TO**
25 **SUCH SERVICES OR INFORMATION AS ARE NECESSARY TO**

1 **ALLOW THE REQUESTING CARRIER TO IMPLEMENT LOCAL**
2 **DIALING PARITY IN ACCORDANCE WITH THE REQUIREMENTS**
3 **OF SECTION 251(b)(3).**

4 **(THIS SECTION RESPONDS TO COMMISSION ISSUE NO. 13)**

5

6 Q. WHAT ARE THE REQUIREMENTS OF SECTION 251(b)(3) OF THE
7 ACT?

8

9 A. Section 251(b) of the Act outlines the duties or obligations of all LECs.
10 Section 251(b)(3) specifically addresses the LEC responsibility to provide
11 dialing parity by stating that LECs have “The duty to provide dialing parity to
12 competing providers of telephone exchange service ...”.

13

14 Q. PLEASE DESCRIBE “LOCAL DIALING PARITY” AS COVERED BY
15 THIS CHECKLIST ITEM.

16

17 A. The “local dialing parity” covered by this checklist item creates an
18 environment where local service subscribers dial the same number of digits
19 without the use of an access code to place a local call regardless of their choice
20 of local service provider. For example, BellSouth’s customers in Florida local
21 calling areas dial either a 7- or 10-digit number to make local calls, as
22 appropriate. With local dialing parity, the ALEC’s customers will likewise be
23 able to dial a 7- or 10-digit number to make local calls. Of course, the ALEC’s
24 switch determines how the ALEC’s end users dial specific calls. BellSouth,
25 however, will interconnect with the ALEC such that identical 7- and 10-digit

1 dialing is possible.

2

3 Q. WHAT ARE THE RATES FOR LOCAL DIALING PARITY?

4

5 A. There are no explicit charges for dialing parity. Because BellSouth and
6 ALECs can use the same dialing and numbering plans, local dialing parity
7 simply happens as ALECs begin operating.

8

9 Q. HOW IS THE STATEMENT CONSISTENT WITH THE COMMISSION'S
10 ORDER?

11

12 A. In its December 31, 1996 Final Order on Arbitration in the consolidated
13 dockets, the Commission stated that "dialing parity is inherent in the
14 network...we find it unnecessary to establish any additional requirements or
15 cost recovery mechanisms." (Order No. PSC-96-1579-FOF-TP, page 104)
16 Further, customized routing as required by the Order was the only other
17 concern raised in arbitration regarding dialing parity.

18

19 Q. HAS BELL SOUTH MET ITS OBLIGATIONS TO FULLY IMPLEMENT
20 THIS CHECKLIST ITEM?

21

22 A. Yes. BellSouth has either provided local dialing parity or is capable of
23 providing it if ordered.

24

25 **CHECKLIST ITEM NO. 13: RECIPROCAL COMPENSATION**

1 **ARRANGEMENTS IN ACCORDANCE WITH THE REQUIREMENTS**
2 **OF SECTION 252(d)(2).**

3 **(THIS SECTION RESPONDS TO COMMISSION ISSUE NO. 14)**

4
5 Q. WHAT ARE THE REQUIREMENTS OF SECTION 252(d)(2) OF THE ACT
6 REGARDING RECIPROCAL COMPENSATION?

7
8 A. Section 252(d)(2) places a standard for just and reasonable prices for reciprocal
9 compensation such that each carrier receives mutual and reciprocal recovery of
10 costs associated with the transport and termination on each carrier's facilities
11 of calls that originate on the network facilities of the other carrier. The costs
12 shall be on the basis of a reasonable approximation of the additional costs of
13 terminating such calls.

14
15 Q. HAS THE COMMISSION ADDRESSED RECIPROCAL COMPENSATION
16 IN ITS RECENT ORDERS?

17
18 A. Yes. As I mentioned under checklist item No. 1, the Commission established
19 rates for call transport and termination in the December 31, 1996 Final Order
20 on Arbitration in the consolidated dockets. The Commission found "that
21 BellSouth and AT&T should compensate each other for transport and
22 termination of calls on each other's network facilities at rates of \$0.00125 per
23 minute for tandem switching and \$0.002 for end office termination." (Order
24 No. PSC-96-1579-FOF-TP, page 68)
25 To reiterate, BellSouth offers the following rates, which are consistent with the

1 requirements of the Act and consistent with orders of this Commission:
2

Interconnection Component	Rate Per Minute
Interconnection at an end office	\$0.002
Interconnection at a tandem (in addition to the end office rate)	\$0.00125
Intermediary Tandem per MOU	\$0.00050

3
4 Q. HAS BELLSOUTH MET ITS OBLIGATIONS TO FULLY IMPLEMENT
5 THIS CHECKLIST ITEM?

6
7 A. Yes. BellSouth has either provided reciprocal compensation or is capable of
8 providing it if ordered.

9
10 **CHECKLIST ITEM NO. 14: TELECOMMUNICATIONS SERVICES**
11 **ARE AVAILABLE FOR RESALE IN ACCORDANCE WITH THE**
12 **REQUIREMENTS OF SECTIONS 251(c)(4) AND 252(d)(3).**
13 **(THIS SECTION RESPONDS TO COMMISSION ISSUE NO. 15)**

14
15 Q. WHAT ARE THE REQUIREMENTS OF SECTIONS 251(c)(4) AND
16 252(d)(3) REGARDING RESALE OF SERVICES?

17
18 A. Section 251(c)(4) of the Act describes the duty of an incumbent LEC to offer
19 telecommunications services for resale at wholesale rates and not to prohibit or
20 impose unreasonable or discriminatory conditions or limitations on such resold

1 services. A state commission, however, can prohibit a reseller from offering a
2 resold service, that is available only to a specific category of subscribers, to a
3 different category of subscribers. An example is the prohibition against
4 reselling residence basic local exchange service to business customers at the
5 lower residence rate.

6

7 Section 252(d)(3) of the Act describes the pricing standard for resold services.
8 The Act describes an “avoided cost” standard such that wholesale rates are
9 determined on the basis of retail rates excluding that portion of marketing,
10 billing, collection and other costs that will be avoided by the local exchange
11 carrier.

12

13 Q. WHAT IS A BELLSOUTH RETAIL SERVICE?

14

15 A. A retail service is a telecommunications service currently offered by BellSouth
16 that is described in and offered through a BellSouth tariff to non-
17 telecommunications services providers. The tariff in which a retail
18 telecommunications service is offered contains not only the applicable retail
19 rates for the service, but the terms and conditions including any limitations on
20 its use that have been approved by the Commission.

21

22 Q. HOW IS THE RESALE OF RETAIL TELECOMMUNICATIONS
23 SERVICES ADDRESSED IN BELLSOUTH’S STATEMENT?

24

25 A. In its Statement, BellSouth offers its tariffed retail telecommunications services

1 for resale to other telecommunications carriers that will, in turn, sell such
2 services to their end user customers. An ALEC may resell BellSouth's tariffed
3 retail telecommunications services subject to the terms and conditions
4 specifically set forth in the Statement. BellSouth's Statement outlines specific
5 terms and conditions on the resale of certain services:

- 6
- 7 1. BellSouth offers for resale its promotions of 90 days or more at the
8 wholesale discount rate. Promotions of less than 90 days are available
9 for resale with no wholesale discount.
- 10 2. Lifeline and Link Up services are available for resale to subscribers
11 who meet the criteria that BellSouth would apply to its end users.
- 12

13 In addition, a reseller of BellSouth's retail services is prohibited from selling
14 residential services to non-residential subscribers.

15

16 The ALEC will be the customer of record for all services purchased from
17 BellSouth and, except as specified in the Statement, BellSouth will take orders
18 from, bill and expect payment from the ALEC for all services. The ALEC will
19 also be BellSouth's single point of contact for all services purchased pursuant
20 to this Statement including all ordering activities and repair calls. As such,
21 BellSouth will accept presubscribed interexchange carrier (PIC) changes from
22 the ALEC as the customer of record, but BellSouth will also accept PIC
23 changes directly from the IXC, as it does today.

24

25 Q. AT WHAT WHOLESALE RATES DOES BELL SOUTH MAKE ITS

1 RETAIL SERVICES AVAILABLE TO OTHER TELECOMMUNICATIONS
2 CARRIERS?

3

4 A. In its Statement, BellSouth offers a wholesale discount of 21.83% for
5 residential services and 16.81% for business services. These discount rates
6 apply to all tariffed recurring, nonrecurring and intrastate retail offerings
7 except as discussed previously.

8

9 Q. ARE BELLSOUTH'S RESALE SERVICE OFFERINGS, TERMS AND
10 CONDITIONS AND DISCOUNT LEVELS CONSISTENT WITH
11 DECISIONS OF THE FLORIDA COMMISSION?

12

13 A. Yes. In its December 31, 1996 Final Order on Arbitration in the consolidated
14 dockets, the Commission established the services available for resale,
15 established the limitations on resale, and set the wholesale discount rate at
16 21.83% for residential services and 16.81% for business services. In the same
17 Order, the Commission provided specific language on the provision of
18 grandfathered services by requiring that AT&T and MCI only be allowed to
19 resell the grandfathered services to existing grandfathered subscribers. In its
20 March 19, 1997 Final Order on Motions for Reconsideration in the
21 consolidated dockets, the Commission clarified, regarding the resale of
22 promotions of less than 90 days "that the wholesale discount may be applied
23 only to the tariffed rate, not to the promotional rate." (Order No. PSC-97-0298-
24 FOF-TP, page 12)

25

1 Further, in the December 31, 1996 Final Order on Arbitration in the
2 consolidated dockets, the Commission stated "...we find it appropriate to
3 prohibit BellSouth from processing any PIC change request for a customer that
4 receives its local exchange service from a local exchange carrier other than
5 BellSouth. BellSouth should direct the request of that customer to the
6 customer's local exchange carrier and provide the customer with a contact
7 number for the customer's local carrier." (Order No. PSC-96-1579-FOF-TP,
8 page 92)

9
10 In its December 31, 1996 Final Order on Arbitration in the consolidated
11 dockets, the Commission also required CSAs, Lifeline, LinkUp, and 911/E911
12 services to be offered for resale. (Order No. PSC-96-1579-FOF-TP, pages 41-
13 45)

14
15 BellSouth is compliant with the provisions of the Act regarding the resale of
16 telecommunications services, and BellSouth's Statement is consistent with the
17 Orders of this Commission.

18

19 Q. HAS BELLSOUTH NEGOTIATED RESALE DISCOUNT RATES, TERMS
20 AND CONDITIONS IN ITS INTERCONNECTION AGREEMENTS WITH
21 ALECS?

22

23 A. Yes. BellSouth has negotiated numerous resale-only agreements with ALECs
24 and has negotiated resale of services as a part of many facilities-based carrier
25 agreements. Examples of pure resale agreements are those negotiated with

1 Florida Comm South, Unidial Communications and Jetcom Inc. Resale
2 arrangements as part of facilities-based agreements have been reached with
3 such companies as ICI and ACSI.

4

5 Q. WHAT PROCESS IS OFFERED TO AN ALEC FOR ORDERING
6 SERVICES FOR RESALE FROM BELLSOUTH?

7

8 A. The ordering and provision of services purchased from BellSouth for resale
9 purposes is set forth in Exhibit RCS-6, the ALEC-to BellSouth Ordering
10 Guidelines (Reseller). In addition, BellSouth has provided electronic
11 interfaces to support the following functions: pre-ordering, ordering and
12 provisioning, trouble reporting and billing usage detail. Initially, CRIS format
13 will be used to render bills to resellers.

14

15 Q. HAS BELLSOUTH MET ITS OBLIGATIONS TO FULLY IMPLEMENT
16 THIS CHECKLIST ITEM?

17

18 A. Yes. BellSouth has either provided services for resale or is capable of
19 providing services for resale if ordered.

20

21 Q. THE STATEMENT OUTLINES THE PROVISION OF
22 INTERCONNECTION SERVICES, UNBUNDLED NETWORK
23 ELEMENTS AND RESALE OF RETAIL TELECOMMUNICATIONS. IS
24 BELLSOUTH PREPARED TO ACCEPT ORDERS UNDER THE
25 PROVISIONS IN THE STATEMENT ONCE IT IS APPROVED OR

1 ALLOWED TO TAKE EFFECT?

2

3 A. Yes. BellSouth has expended a great deal of effort preparing to accept orders
4 from ALECs. The provision of interconnection, unbundled elements and
5 resale, however, involves the implementation of some new procedures and the
6 modification of existing ones. As can be anticipated, an implementation
7 process of this magnitude can encounter some problems. The majority of
8 BellSouth's provisioning activity has occurred in Florida and Georgia with
9 nominal amounts in our other states.

10

11 BellSouth has had more limited experience with the provisioning of unbundled
12 elements and these orders are likely to be more complex. It is not unusual for
13 orders involving unbundled elements to include several orders that must be
14 coordinated to meet the ALEC's requirements. For example, when an ALEC
15 orders unbundled loops, these orders must also be coordinated with the
16 disconnect of an existing end user's services, and might be coordinated for
17 interim number portability. As with resale and interconnection, BellSouth will
18 work cooperatively with ALECs in gaining experience in processing those
19 orders. BellSouth is committed to providing all interconnection, resale and
20 unbundled network element orders accurately, promptly and efficiently.

21

22 Q. DO YOU HAVE ANY ADDITIONAL COMMENTS FOR THE
23 COMMISSION?

24

25 A. Yes, I would like to reiterate that BellSouth's Statement of Generally Available

1 Terms and Conditions (Exhibit RCS-1) complies with the requirements of
2 Section 252(f) of the Act and the 14-point checklist outlined in the Act.
3 Therefore, I request that the Commission confirm, within sixty days from the
4 date the Statement is formally filed with the Commission, that it meets the 14-
5 point checklist requirements, and that BellSouth has fully implemented each of
6 the checklist items. Once Commission approval has been granted, BellSouth
7 will offer the terms of the Statement to any ALEC authorized to provide local
8 service in Florida.

9

10 Q. DOES THIS COMPLETE YOUR TESTIMONY?

11

12 A. Yes.

1 **BELLSOUTH TELECOMMUNICATIONS, INC.**
2 **REBUTTAL TESTIMONY OF ROBERT C. SCHEYE**
3 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**
4 **DOCKET NO. 960786-TL**
5 **JULY 31, 1997**

6
7 Q. PLEASE STATE YOUR NAME, ADDRESS AND POSITION WITH
8 BELLSOUTH.

9
10 A. My name is Robert C. Scheye, and I am employed by BellSouth Corporation
11 as a Senior Director. My business address is 675 West Peachtree Street,
12 Atlanta, Georgia 30375.

13
14 Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN DOCKET NO.
15 960786-TL?

16
17 A. Yes. I filed direct testimony on behalf of BellSouth Telecommunications, Inc.
18 ("BellSouth") on July 7, 1997.

19
20 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

21
22 A. Thirteen intervenor witnesses representing seven companies filed direct
23 testimony on July 17, 1997. Many of these witnesses comment on BellSouth's
24 draft Statement of Generally Available Terms and Conditions ("Statement").
25 My rebuttal testimony responds to these witnesses.

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Q. HOW IS YOUR TESTIMONY ORGANIZED?

18

19

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22

23

24

25

In this regard, I discuss why the pricing principles included in the Statement are consistent with the Florida Public Service Commission's ("Commission's") decisions and with the Telecommunications Act of 1996 ("the Act"). Along with BellSouth witness Gloria Calhoun, I discuss BellSouth's operational support systems ("OSSs"). I address the issue globally, placing the other parties' comments into their proper perspective, while Ms. Calhoun describes BellSouth's actual OSS implementation plans.

Finally, I focus on the primary purpose of Docket No. 960786-TL, which is to determine whether BellSouth's Statement is checklist compliant. I discuss the problems with either rejecting the Statement or allowing it to take effect without assessing compliance. In summary, I show why the Commission should find that BellSouth's Statement is in compliance with the competitive checklist as required by the Act.

A. My testimony is organized into four parts. Part A is dedicated to discussing in general terms the issues raised by the intervenors. Parts B and C address the two major issues raised by the parties — operational readiness and the pricing of unbundled elements and interconnection. Part D responds to certain additional issues raised by the intervenors and are identified in the testimony as Resale Issues; Recombination and Unbundled Switching; Number Portability; Transport and Termination; and Unbundled Elements. In responding to the

1 intervenor testimony, I also show that the provisions in the Statement are
2 consistent with the Commission's orders. These orders include the December
3 31, 1996 Final Order on Arbitration for consolidated Docket Nos. 960833-TP
4 (AT&T), 960846-TP (MCI) and 960916 -TP (ACSI) (hereinafter referred to as
5 the "December 31, 1996 Final Order on Arbitration in the consolidated
6 dockets"); the December 16, 1996 Order on Petition for Arbitration with MFS,
7 Docket No. 960757-TP; the March 29, 1996 Order for Docket No. 950985-TP;
8 the October 1, 1996 Order on Motions for Reconsideration in Docket No.
9 950985-TP; the March 29, 1996 Order for Docket No. 950984-TP; and the
10 April 24, 1997 Order for Docket No. 950737-TP (number portability).

11
12 **PART A - GENERAL DISCUSSION OF ISSUES RAISED BY THE**
13 **INTERVENORS**

14
15 Q. PLEASE COMMENT ON THE ISSUES RAISED IN THE TESTIMONY
16 FILED BY THE INTERVENORS.

17
18 A. Much of the intervenor testimony, as I will discuss later, appears to be
19 motivated by a desire to limit competition in both the local and interexchange
20 markets or simply to relitigate policy matters already addressed by this
21 Commission in arbitration proceedings. AT&T and MCI for example, appear
22 to take a shotgun approach raising any and every conceivable issue, including
23 many issues resolved through arbitration, apparently hoping the Commission
24 latches onto one of them to delay or bar BellSouth's entry into the in-region
25 interLATA market. These carriers have already had ample opportunity to

1 address such issues in their arbitration proceedings. It would appear that all
2 these intervenors are willing to do is point to hypothetical future problems.

3

4 Q. HOW DO THE COMMENTS PROVIDED BY THE INTERVENORS
5 RELATE TO "THEIR" USE OF THE STATEMENT?

6

7 A. AT&T, MCI and Sprint collectively use a massive amount of paper and present
8 a large number of witnesses attacking BellSouth's Statement. Yet, the carriers'
9 witnesses never indicate that they anticipate purchasing interconnection,
10 unbundled network elements or services for resale from the Statement.
11 Perhaps this should come as no surprise. Each of these carriers has negotiated
12 extensively with BellSouth, and each one has signed an agreement reflecting
13 the Commission's arbitration decisions.

14

15 As a result of their agreements, these carriers will gain experience with
16 BellSouth's operational systems and will be able to perfect their own systems.
17 This latter capability is extremely significant because Alternative Local
18 Exchange Companies ("ALECs") must be able to interact with BellSouth's
19 automated systems. By going through all these processes, these carriers will
20 gain vital experience in providing local exchange service, gain name
21 recognition as a "local exchange" provider in addition to their current status as
22 a globally recognized leader in the long distance arena, and attract more
23 customers to their services.

24

25 What these carriers appear to want to do is preclude others from doing likewise

1 and to keep BellSouth from providing in-region interLATA services to its
2 customers in Florida. By requesting that this Commission reject BellSouth's
3 Statement as non-compliant with the 14-point competitive checklist defined in
4 Section 271(c)(2)(B) of the Act, these carriers are foreclosing one avenue
5 through which other ALECs can compete in the local exchange market.

6
7 Q. ARE THERE OTHER MOTIVATIONS FOR THESE MAJOR CARRIERS
8 TO ACT IN SUCH A FASHION?

9
10 A. There are three possibilities: (1) the major carriers may believe that if
11 BellSouth can focus on their individual operational issues, rather than the
12 concerns of a larger number of carriers, each may get more individualized
13 attention; (2) these carriers simply want to limit the number of competitors by
14 foreclosing use of the Statement; and another possibility is (3) the three largest
15 carriers simply do not want to face competition from BellSouth in the
16 interLATA long distance market in Florida.

17
18 Q. PLEASE ELABORATE ON YOUR ASSERTION THAT SOME OF THE
19 CARRIERS MAY WANT TO LIMIT THE NUMBER OF COMPETITORS
20 BY FORECLOSING USE OF THE STATEMENT:

21
22 A. Regardless of the motivation, it is clear that precluding other carriers from
23 availing themselves of the Statement creates clear advantages to AT&T, MCI
24 and Sprint. As described in my direct testimony and in Ms. Calhoun's
25 testimony, different size carriers have different operational interface

1 capabilities (for example, LAN to LAN as compared to dial-up for pre-
2 ordering functions). BellSouth envisions that AT&T, MCI and Sprint will
3 generally use the interfaces designed for "large" ALECs. Conversely, carriers
4 that choose to operate under the Statement will likely include some of the
5 "small" ALECs. Presumably the larger carriers do not have the same concerns
6 with operational readiness or the need for experience with those systems that
7 they won't be using but that might be used by the smaller ALECs. If, as all the
8 carriers would seem to agree, actual use of these operational systems will be
9 the best means for gaining experience, why would anyone want to limit the
10 extent of that experience?

11
12 Q. BASED ON THE NATURE OF THE TESTIMONY FILED BY THE OTHER
13 PARTIES, WOULD YOU CLARIFY YOUR VIEW OF THE PURPOSE OF
14 FILING THE STATEMENT?

15
16 A. Yes. The Statement can serve several purposes, including allowing new
17 ALECs to enter the local market without negotiating a separate agreement.
18 The general theme of the Act is to promote local competition, and the
19 Statement can be an integral part of that process. BellSouth's submission of its
20 Statement reflecting prior Commission orders and decisions, is intended to
21 facilitate local competition in Florida and, subsequent to the Federal
22 Communications Commission's ("FCC") approval, to allow BellSouth's entry
23 into the Florida interLATA long distance market. It is also important to
24 understand the procedural requirements for BellSouth's entry into long
25 distance. A critical aspect is that the competitive checklist as defined in

1 Section 271 (c)(2)(B) has been met.

2

3 Specifically, the FCC, in accordance with Section 271 (d)(2)(B) of the Act,
4 will consult with the state commissions to verify compliance with the Section
5 271 (c) requirements. Section 271 (d)(3)(A) also provides that the FCC in
6 approving a request for in-region interLATA relief must determine that the
7 competitive checklist has been implemented.

8

9 If checklist compliance is to be met in whole or in part through the use of a
10 Statement, the provisions for gaining approval of such a Statement are covered
11 by Section 252 (f). Specifically, once a Statement has been submitted, the state
12 Commission has sixty days to complete its review or the Statement may take
13 effect. In order to comply with these requirements, a Statement must contain
14 all fourteen points of the checklist and must meet the procedural needs.

15

16 Q. BASED ON THE TESTIMONY FILED IN THIS PROCEEDING, MANY
17 PARTIES WOULD HAVE THIS COMMISSION REJECT BELLSOUTH'S
18 STATEMENT. DO YOU HAVE A VIEWPOINT ON HOW THE
19 COMMISSION SHOULD EVALUATE THE TESTIMONY OF THESE
20 PARTIES?

21

22 A. Yes. As discussed in detail in my testimony, I believe there are several critical
23 points that should be considered, including the following:

24

25 1) These objections concerning the Statement come from ACSI, AT&T, MCI,

1 Sprint, ICI and MFS (WorldCom). Each of these parties, however, have a
2 negotiated or an arbitrated agreement with BellSouth. One, ACSI, is already
3 providing local service to business customers. In the testimony of the 13
4 witnesses representing these companies, there is no mention that any of these
5 carriers intend to purchase from the Statement that they are so willing to
6 criticize. While the carriers are critical of the Statement, their agreements with
7 BellSouth include essentially the same services, terms and prices. Thus, their
8 concerns that the Statement is inappropriate, even though it is similar to their
9 own negotiated/arbitrated agreements, should be dismissed.

10
11 2) Rejecting the Statement, as many parties suggest, will inhibit the
12 development of local competition in Florida. In light of the fact that AT&T,
13 MCI, Sprint, ACSI, ICI and MFS have agreements with BellSouth, they will
14 be able to compete in Florida. Recommendations to reject the Statement will
15 only serve to limit the number of other ALECs that might compete with these
16 carriers.

17
18 3) The suggestion by several parties that checklist compliance is dependent on
19 additional cost studies is inappropriate and well beyond the requirements of the
20 Act, the FCC's Order and this Commission's Orders. Nevertheless, BellSouth
21 filed cost studies with the Commission on March 18, 1997 as required in the
22 December 31, 1996 Final Order on Arbitration in the consolidated dockets.
23 Further, from a practical standpoint there is no need to delay checklist
24 compliance. The cost studies have been filed, and ALECs can review these
25 studies. This should eliminate any potential issues with the currently proposed

1 rates.

2
3 4) The proposed rates meet the requirements of this Commission and of the
4 Act and will allow competition to develop more quickly.

5
6 5) Approving the Statement will allow more ALECs to test the ordering
7 processes described in the Statement, gain experience in the provision of local
8 service, and compete with BellSouth and other ALECs; denying the Statement
9 serves none of these purposes. The arguments to delay a finding of checklist
10 compliance until operational support systems are further tested or until more
11 actual experience has been gained are based more on the carriers' desires to
12 keep BellSouth out of in-region interLATA long distance than they are about
13 advancing local competition. If testing, experience or other similar devices
14 become the "carrot," as some would suggest, the further advancement of the
15 operational systems will become "politicized," slowing the process and
16 delaying the advancement of local competition.

17
18 6) Essentially all of the intervenor witnesses ignore the fact that arbitration
19 proceedings have already taken place in Florida, and that the Commission has
20 already issued decisions on many of the issues they raise. AT&T, Sprint,
21 MFS, ACSI and MCI primarily raised numerous issues that have been
22 arbitrated, decided and included in an agreement with BellSouth. This
23 proceeding is not the forum for reconsideration. Conversely, AT&T and MCI
24 appear to raise other issues that were not arbitrated, primarily because the
25 parties reached agreement on them without arbitration. Raising them here is

1 nonsensical and serves no purpose but to confuse the issues.

2

3 Q. IN LIGHT OF THE INTERVENOR TESTIMONY, SHOULD
4 BELLSOUTH'S STATEMENT BE REJECTED?

5

6 A. No. Despite the rhetoric, the supposed concerns, the accusations, and the
7 revisitation of issues, the arguments are not convincing, and the Commission
8 should find that the Statement complies with the competitive checklist. All of
9 the witnesses directed some portion of their testimonies toward the Statement.

10

11 Despite the sheer volume of testimony dedicated to the Statement, several of
12 the fourteen checklist points were not specifically, or at best only marginally,
13 addressed by the intervenors. A few, such as the technical interconnection
14 arrangements, are only revisitations of already-resolved issues. Some
15 comments, such as those dealing with transport, seem to be based on either a
16 lack of understanding and/or a lack of knowledge of what has already occurred
17 before this Commission. Still other comments do not seem to have any
18 applicability to BellSouth's Statement or to the State of Florida. In summary,
19 none of the issues presented by the witnesses, individually or in total, warrant
20 rejection of the Statement.

21

22 Q. IN BROAD TERMS, INTO WHAT CATEGORIES DO MOST OF THE
23 ISSUES RAISED BY THE INTERVENORS FALL?

24

25 A. There are two: (1) Does operational readiness exist? and (2) Are the interim or

1 temporary rates compliant with the checklist requirements in the Act? The
2 concerns about the operational support systems will be addressed in Part B,
3 and the pricing provisions will be discussed in detail in Part C of this
4 testimony.

5
6 These issues, prices and operational readiness, are certainly very important.
7 However, as discussed in more detail later, awaiting finality on all the rate and
8 cost issues coupled with the "final" operational systems would probably
9 guarantee that the debate over the Statement would continue for years and
10 years to come, regardless of whether these issues actually impede any carrier's
11 ability to compete. All the while, customers in Florida would be denied the
12 advantages of increased competition.

13
14 **PART B: OPERATIONAL SUPPORT SYSTEMS**

15
16 Q. HOW DO YOU RESPOND TO THE OVERALL IMPLICATIONS OF THE
17 PARTIES THAT BELLSOUTH'S OPERATIONAL SUPPORT SYSTEMS
18 ARE NOT READY FOR THE IMPLEMENTATION OF LOCAL
19 COMPETITION?

20
21 A. The systems are in place to process orders and support the provisioning of
22 services. However, many of these processes will be evolutionary and
23 continually refined as industry standards evolve and are defined. Not only will
24 the processes and the development of generic systems that all ALECs can use
25 continue to evolve as the industry changes, OSSs will also continue to change

1 to meet the specific requirements requested by individual ALECs. The
2 complexity and the significance of the operational procedures make an
3 evolutionary process the only approach that can be taken. Nevertheless, the
4 systems are ready today in a manner that provides an efficient competitor with
5 an opportunity to compete.

6
7 Q. CAN YOU DESCRIBE ANY SITUATION ANALOGOUS TO THE
8 EVOLUTIONARY PROCESS DESCRIBED ABOVE?

9
10 A. Yes. The issue of operational capabilities that is involved with implementing
11 the Statement is not dissimilar to the circumstances surrounding the
12 implementation of the Modification of Final Judgment (MFJ). One of the most
13 critical aspects of the MFJ was the ability of the divested companies to process
14 access orders, install the required facilities and issue accurate and timely bills.

15
16 The focus of the MFJ, however, was the divestiture of the Regional Bell
17 Operating Companies on January 1, 1984. There were numerous procedures
18 that had to be put into place by that date, including comprehensive access
19 procedures. Despite all the work efforts involved, the focus remained on the
20 critical issue — the actual divestiture. One can only imagine what might have
21 happened if the MFJ had indicated that the divestiture could not occur until
22 every aspect was in its final and complete form.

23
24 On January 1, 1984 divestiture did occur. Access structures and rates had not
25 been finalized; the FCC and presumably several of the state commissions were

1 still analyzing the access issues including changes that had been mandated by
2 the FCC over the final few months. Despite these changes and uncertainties,
3 comprehensive access was indeed implemented as part of the overall
4 divestiture. After the actual divestiture, procedural changes continued to be
5 developed and implemented. In actuality, the activity level increased because
6 at least there was the certainty that access existed and had to be implemented.
7 That process continued in an evolutionary fashion to meet the needs of AT&T
8 who had essentially the entire market, MCI and Sprint with fairly small
9 existing market shares, and several smaller carriers with either a very small or
10 no embedded market share. The procedures that were in place January 1, 1984
11 were adequate to allow long distance competition to accelerate, but the
12 divested regional companies didn't stop evolving those procedures to make
13 them as efficient and effective as possible. In fact, that process continues even
14 today, more than thirteen years after the divestiture.

15
16 Q. HOW DO THE SITUATIONS INVOLVING IMPLEMENTATION OF
17 DIVESTITURE AND LOCAL EXCHANGE COMPETITION COMPARE?

18
19 A. The overall state of competition on the surface is very similar. However,
20 potential competitors and new entrants into the local market have huge
21 regulatory advantages over AT&T's post-divestiture competitors. They have
22 access to mandatory wholesale discounts and unbundled network elements at
23 cost-based prices. The effectiveness of a Statement of Generally Available
24 Terms and Conditions that is determined to be in compliance with the 1996
25 Act will provide new competitors additional advantages and will help

1 guarantee that local competition advances far more quickly than real long
2 distance competition.

3
4 As in the long distance market, the size and scope of local competitors is
5 expected to vary from very large to relatively small. Some will provide local
6 service on a national scale while others may limit their activities to Florida or
7 several states within the southeast. The post-divestiture long distance market
8 was similar, but AT&T faced competition from companies with less name
9 recognition, while BellSouth faces competition from some of the largest
10 companies in the world with extremely well known brand names and plenty of
11 capital.

12
13 The implementation issues associated with the Statement are clearly complex
14 and far reaching. They may be the most complicated set of circumstances
15 since divestiture and the implementation of access. Just like the FCC and the
16 state commissions continued their refinements of access after January 1, 1984,
17 it is likely that further adjustments may be implemented in the areas of
18 interconnection, unbundling and resale. For example, this Commission
19 requested and BellSouth filed additional cost studies and announced its
20 intention to review and modify rates as may be required. Did the complexity,
21 size and uncertainty associated with the establishment of access procedures
22 delay divestiture? No. Did these factors keep competition from developing in
23 the long distance market? Once again the answer is no. Just as the focus of the
24 MFJ had to remain on divestiture, the focus of this proceeding – compliance
25 with the Act's competitive checklist – cannot be lost.

1

2

Q. ISN'T THERE A SIGNIFICANT DIFFERENCE IN THAT AT
DIVESTITURE ALL COMPETITORS (IXCs) WERE AFFECTED THE
SAME WAY BY ANY OPERATIONAL DEFICIENCIES?

4

5

6

A. While it is true that all interexchange carriers were ordering facilities from the
LEC, the impact was clearly not the same for all. The number and type of
access facilities that AT&T needed to order were minimal because they had
essentially all of the market. By contrast, other carriers, competing with
AT&T, needed to contend not only with increased market share but also
growth as well. To be successful these carriers had to make much greater use
of the ordering procedures than AT&T.

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Further, divestiture mandated the implementation of equal access on a very
aggressive schedule. Equal access, or Feature Group D, as it became known,
impacted AT&T and other carriers quite differently. Equal access was
implemented on an end office by end office basis. MCI, Sprint and others
wishing to use equal access had to order new access facilities, substantially
replacing their existing facilities. Conversely, AT&T's existing facilities,
which became known as Feature Group C, were either not changed at all or
only minimally changed to convert from Feature Group C to Feature Group D.
Substantially differing reliance on these new ordering procedures was a
requirement that could not be and was not avoided.

Equal access also included the ability for each end user to select one long-

1 distance carrier for dialing interLATA calls on a 1+ basis (as compared to
2 10XXX for non-presubscribed carriers). At the time of implementation, all end
3 users were dialing AT&T on a 1+ basis and could not use other carriers in the
4 same manner. The impact of faulty presubscription procedures was clear —
5 AT&T would gain by maintaining 1+ customers and all other carriers would
6 lose.

7
8 If the new ordering procedures had failed, would the effect across carriers have
9 been the same? The answer to this is apparent; the non-AT&T carriers would
10 have clearly suffered, and the effect on AT&T would not have been neutral,
11 but it would have been significantly advantaged.

12
13 If the philosophy espoused in this proceeding by several intervening parties
14 had been employed at the time of divestiture, divestiture would not have
15 occurred on schedule, if at all. Fortunately, the MFJ required that the parties
16 remain focused on the objective of divestiture and not allow the possibility that
17 some process or procedure might not be in its absolutely final form to delay
18 moving forward.

19
20 History on this issue is quite revealing. As noted, on January 1, 1984,
21 divestiture indeed occurred even though many of the issues had not been
22 finally resolved. Competition did begin to occur, carriers began to gain market
23 share, end users began presubscribing to carriers other than AT&T, and the
24 rest, as the expression goes, "is history."

25

1 Q. GIVEN YOUR ANALOGY WITH DIVESTITURE, HOW WOULD YOU
2 EVALUATE THE OPERATIONAL CAPABILITIES AS THEY EXISTED
3 AT DIVESTITURE WITH WHAT WE ARE DISCUSSING HERE?
4

5 A. BellSouth is much further along now than a divested Regional Bell Operating
6 Company (RBOC) such as BellSouth was then. Several reasons lead me to
7 that conclusion. First, many of the systems that will be used for unbundling
8 and interconnection are the same ones that have been put into place for access.
9 A simple example is the Carrier Access Billing System (CABS). For local
10 exchange competition, it needed to be modified to handle new elements;
11 whereas at divestiture it had to be built from the ground up.
12

13 Second, the Act requires negotiations which have resulted in BellSouth and
14 ALECs, such as those in this proceeding, discussing in detail operational
15 requirements. At divestiture, the majority of these efforts were being
16 accomplished by the RBOCs with a great deal less direct input from the other
17 carriers. For example, it wasn't until after divestiture that many of the national
18 operational forums were established. Even then, these national industry
19 forums were large groups without the same benefits of the one-on-one
20 discussions that occur in negotiations. Third, there have been major
21 advancements from the systems capabilities that existed in the 1982-1983 time
22 frame to the current capabilities.
23

24 Finally, unlike at the time of divestiture, the operational capabilities being
25 implemented here are being used initially for small quantities of services as

1 ALECs begin operating. No embedded services need to be converted over to
2 these systems immediately. Conversely, at divestiture, all existing access
3 services being provided to AT&T, MCI, Sprint and others were converted to
4 the new systems. By analogy, every minute of access needed to be capable of
5 being measured and billed from day one; a daunting task that took some time
6 to fully achieve. By comparison, not every minute of local usage needs to be
7 converted, only the usage between BellSouth and the facilities-based ALECs.
8 In sum, we are all smarter, having learned from the experiences of
9 implementing access. While not every aspect is directly convertible to
10 interconnection and resale, there are a number of similarities from divestiture
11 and implementation of access that are clearly relevant here.

12
13 Q. DO OTHER PARTIES AGREE WITH THIS ASSESSMENT?

14
15 A. In general, I would expect the intervenors to disagree with this. In the Georgia
16 AT&T arbitration proceeding, however, AT&T's witness, Ms. Pam Nelson,
17 who did not present testimony in this proceeding, seems to have a viewpoint
18 that is similar to the one I have described here. In response to a question posed
19 by BellSouth's attorney concerning the time it took to develop trouble
20 reporting gateways for access, Ms. Nelson said: "Roughly -- roughly a couple
21 of years and that was -- those gateways are exactly the kind of gateways that
22 can be used and built from. A lot of the experience that was going on when the
23 electronic bonding gateways and access for it were being developed is
24 experience that we are suggesting, asking that BellSouth build from jointly
25 with AT&T in order to have the electronic gateways that we are talking about

1 in the local world. So absolutely." Georgia Docket No. 6801-U, Hearing
2 Transcript page 699.

3
4 Further, in discussing the procedures for presubscribed interexchange carrier
5 ("PIC") changes, Ms. Nelson described the evolutionary nature of systems
6 development. Her response stated: "Can you clarify what kind of time frame
7 we were talking about. I mean, this was like a long time ago those gateways
8 have been in place. They continue to be developed. They continue to be
9 enhanced." Georgia Docket No. 6801-U, Hearing Transcript page 700.

10
11 These issues did not delay the entry of long distance competition nor the
12 freedoms gained by AT&T at divestiture. These issues will not delay the
13 mandated entry of competition in the local exchange market nor should they be
14 used to deny BellSouth entry into the long distance competition.

15
16 Q. IS BELLSOUTH IN A POSITION TO PREVENT ALECS FROM
17 COMPETING BASED ON OPERATIONAL ISSUES, AS ALLUDED TO
18 BY MR. MARTINEZ (MCI) THROUGHOUT HIS TESTIMONY?

19
20 A. No. This situation is again very similar to the concerns raised at the time of
21 divestiture. History tells us again that these concerns are not warranted. From
22 a practical standpoint, BellSouth cannot use operational procedures to limit
23 competition. It is probable, with the attention that has been focused on
24 operational issues, that the operational process will exist in a fishbowl, with all
25 parties able to see what is occurring and to report to this Commission and the

1 FCC any perceived shortcomings. Moreover, this argument ignores the
2 requirements of the Act, the FCC's requirements in this area and the Florida
3 Commission's own requirements as determined in the arbitration cases.
4

5 With the degree of emphasis that has been placed on the operational issues and
6 the significance that it holds, it is difficult, if not impossible, to construct a
7 scenario where BellSouth benefits from using the operational interfaces to
8 retard local competition.
9

10 Q. IS THERE A BALANCE OF INCENTIVES WITH REGARD TO
11 ELECTRONIC INTERFACES?
12

13 A. Yes. Several intervenors suggest BellSouth is motivated to implement its
14 operational systems inefficiently. In reality, the incentives are weighted in the
15 opposite direction, i.e., to implement effective procedures quickly and
16 effectively. First, as has been discussed, the development of procedures in a
17 fishbowl prevents BellSouth from trying to slow the process. But there is a
18 more practical reason for BellSouth to want to move quickly. Local
19 competition is occurring and will continue to occur. This issue was resolved
20 by the passage of the Act. Similarly, effective and efficient interface systems
21 are needed given the sheer number of customers that may opt for local service
22 from an ALEC and the number of ALECs that can be expected in the market.
23 This need is further substantiated when one couples the requirements of the
24 various forms and types of interconnection, the number of services available
25 for resale and the actual number of unbundled elements or comparable

1 capabilities. When one considers the number of loop types, switch (port)
2 types, transport services, billing arrangements, collocation configurations,
3 operator and directory assistance functions and so forth, the competitive
4 checklist's fourteen items quickly amount to hundreds of possibilities, and that
5 number will grow with the use of the bona fide request process.

6
7 The capabilities that BellSouth must achieve are clear. Interim processes, stop
8 gap procedures and so forth are expensive and time consuming and delay one's
9 ability to achieve its final objectives. If BellSouth was to slow the process in
10 ways that parties suggest, it would cost BellSouth money, not make BellSouth
11 money.

12
13 Q. SEVERAL INTERVENOR WITNESSES, INCLUDING ACSI'S MURPHY,
14 AT&T'S HAMMAN AND BRADBURY, MFS/WORLDCOM'S
15 MCCAUSLAND, MCI'S MARTINEZ AND SPRINT'S CLOSZ ASSERT
16 THAT THE OPERATIONAL SYSTEMS ARE NOT FULLY TESTED AND
17 FUNCTIONAL, AND THIS COMMISSION SHOULD WAIT BEFORE
18 AGREEING THAT BELLSOUTH HAS MET THE CHECKLIST. WHAT IS
19 YOUR OPINION?

20
21 A. First, as described by Ms. Calhoun, BellSouth's systems have been tested, and
22 as described by BellSouth witness Bill Stacy, are in actual commercial use.
23 Further, internal testing and monitoring are on-going and BellSouth suggests
24 that all carriers do some process testing prior to passing "live" orders. This
25 will provide more assurance that both the ALEC and BellSouth have a

1 common understanding of the procedures and flows in the ordering process.
2 This testing will, hopefully, occur with existing and new ALECs on an
3 ongoing basis. It is not a one-month, two-month or one-year process. It is an
4 ongoing process as new carriers arrive and as new procedures are developed.
5

6 The suggestion that compliance be delayed until further testing can be
7 accomplished, however, is flawed for several reasons. First, testing will
8 hopefully not be a limited effort, but should be ongoing and evolutionary.
9 Second, while testing is extremely important, we must maintain the primary
10 focus in conjunction with the intent of Congress. That focus is to implement
11 both local competition and full competition in the long distance market through
12 having a checklist compliant Statement in effect allowing any carrier to avail
13 itself of interconnection, unbundled capabilities and resale capabilities
14 consistent with the Act and with decisions already made by this Commission.
15 Additionally, as suggested by some witnesses, if testing becomes a "carrot" to
16 achieve compliance, it will become a decisive means for trying to delay the
17 compliance. By adding new "requirements" or arguing that the testing was not
18 adequate, or claiming that failures occurred again, a competitor can overly
19 complicate the process for the purpose of achieving delay. Testing procedures
20 should not be complicated by other motivations or incentives that are not
21 directly related to the test procedures themselves. Conversely, testing should
22 be accomplished by BellSouth and the ALECs in a professional manner
23 without ulterior motives.
24

25 Q. SEVERAL WITNESSES FOR ACSI, AT&T AND SPRINT ASSERT THAT

1 BELL SOUTH SHOULD PROVE ITS SYSTEMS CAPABILITY
2 READINESS. WHAT IS THE BEST METHOD OF PROVING
3 OPERATIONAL READINESS?
4

5 A. BellSouth's operational systems have been up and running for several months.
6 BellSouth is processing orders for both resellers and facilities-based carriers,
7 and BellSouth would expect additional operational carriers when the Statement
8 is approved as checklist compliant.
9

10 BellSouth has also developed the Local Interconnection and Facilities-Based
11 Ordering Guidelines and Resale Ordering Guidelines for ALECs. These
12 Handbooks, which are attached to my direct testimony, are "living" documents
13 that will be updated on a continual basis. The Handbooks can certainly
14 provide any interested party with updated information concerning operational
15 procedures. BellSouth has also conducted, and will conduct in the future,
16 comprehensive seminars for ALECs that will include discussions of the
17 operational procedures that are being discussed here.
18

19 To place the issue of "proof" in perspective, there is no doubt that putting off
20 competitive choices for the customers of Florida while years of experience
21 with these operational interfaces is gained might be, to the largest ALECs, the
22 best approach to this issue. The most experience that can be gained with these
23 systems, however, will come after the Statement has been approved.
24 Therefore, what some may say is the "best proof" will be more readily
25 achieved, if compliance with the checklist is provided in a timely manner.

1 Further, from a practical standpoint, the Commission can rely on a
2 combination of items as discussed above to satisfy any concerns related to
3 operational readiness. If indeed parties would like actual experience to be a
4 greater part of monitoring these procedures, their needs can be best met by
5 supporting checklist compliance, not delaying it.

6
7 Q. ON PAGE 7 OF HIS TESTIMONY, MR. HAMMAN OF AT&T CITES
8 SEVERAL CRITERIA FOR ACHIEVING CHECKLIST COMPLIANCE,
9 I.E., METHODS AND PROCEDURES, OPERATIONAL TESTING,
10 ACTUAL OPERATIONAL EXPERIENCE AND EXPERIENCE
11 MEASURED AGAINST BENCHMARKS. WOULD YOU COMMENT?

12
13 A. Yes. Before he lists compliance criteria, on page 6 of his testimony, Mr.
14 Hamman states that compliance means that each and every requirement of
15 Sections 251 and 252(d) of the Act are met. This is not disputed. However, he
16 then goes on to define AT&T's four criteria for such compliance (page 7).
17 These criteria are not contained in the Act, and are contradictory to the Act.
18 For example, the Act describes Track B in which there are no facilities-based
19 carriers for residence and business service. It is conceivable that a company
20 could file under Track B and no ALEC had ordered any of the checklist items.
21 Actual operational experience and the other criteria would be totally
22 meaningless. These criteria would appear to be nothing more than obstacles
23 put forth to delay the process. This is further substantiated by other comments
24 put forth by AT&T.

1 Q. COULD YOU PROVIDE SUCH AN EXAMPLE?

2
3 A. Yes. Mr. Hamman is critical of BellSouth's provision of interconnection. He
4 claims that AT&T has requested the most efficient interconnection
5 architecture. He then concludes that this means that local, intraLATA and
6 interLATA calls should be on two-way trunks. The need for a percent local
7 usage (PLU) factor has been recognized by AT&T and BellSouth, but
8 procedures to develop this factor have not yet been finalized. Therefore,
9 according to AT&T, BellSouth is not in compliance. There are several flaws
10 in this argument that are indicative of AT&T's intentions, i.e., delay. First, the
11 majority of carriers believe one-way trunks are not only adequate, but probably
12 would be the most efficient. This is also reflected in the AT&T/BellSouth
13 agreement, a fact not mentioned by Mr. Hamman. The exception might be
14 when a carrier had so little traffic that a one-way trunk group was simply too
15 large. This would hardly be the case with AT&T. Second, and most revealing
16 of AT&T's tactics, is that an interconnection trunk would connect an ALEC's
17 local switch with a BellSouth local switch. AT&T has no local switches in
18 Florida, and based on AT&T's apparent plans, it is highly unlikely that AT&T
19 will be placing any local switches in Florida in the foreseeable future. As
20 discussed later in the testimony, AT&T is apparently trying to use an existing
21 toll switch and its existing switched access facilities with its Digital Link
22 service as a basis for its apparent concern. It can also be noted that AT&T in
23 its arbitration case in Florida did not raise the issue of two-way trunks and only
24 now raises this supposed issue with the Commission.

25

1 Q. MR. HAMMAN ALSO RAISES SEVERAL CONCERNS ABOUT
2 BELLSOUTH'S ABILITY TO COMPLY DUE TO THE STATUS OF
3 VARIOUS ASPECTS OF THE AT&T/BELLSOUTH AGREEMENT.
4 WOULD YOU PLEASE COMMENT ON THESE CONCERNS.

5
6 A. Yes. Throughout his testimony, Mr. Hamman describes the various portions of
7 the AT&T/BellSouth agreement. For example, on page 14 in discussing
8 performance measures for electronic interfaces, he describes how "the parties
9 will need to gather data over the first several months of performance before
10 appropriate measurements can be established." He may be correct in his view
11 that some actual experience is needed before certain standards can be finalized.
12 One might envision this as an ongoing process as new and/or different
13 standards are developed over time. However, AT&T is incorrect on two
14 counts. First, BellSouth's ability to meet this criteria and to be found checklist
15 compliant should not depend on the schedule AT&T decides upon for using
16 electronic interfaces. Second, the need for ongoing data is not a basis for
17 delaying compliance. Presumably if AT&T chooses never to enter the market
18 in Florida, these standards could never be met. If AT&T's argument were to
19 prevail, we can be assured that they would delay entry into Florida to keep
20 BellSouth from providing interLATA long distance services.

21
22 In another example, Mr. Hamman, on page 21 of his testimony, states that the
23 parties have a document governing space for collocation. On this basis, he
24 concludes that "until the procedures set forth in the document are finalized and
25 requests for collocation are processed, it is too soon to know whether

1 BellSouth can meet the Act's requirements for collocation." This statement
2 ignores the simple fact that physical collocation requests from other carriers
3 have been met, i.e. BellSouth has a large number of physical collocation
4 requests in progress and several completed. The Act does not deem AT&T, or
5 its agreement, as a necessary prerequisite to checklist compliance.
6

7 Q. ON PAGE 46 OF HIS TESTIMONY, MR. HAMMAN IS CRITICAL OF
8 BELLSOUTH'S PROVISION OF OPERATOR AND DIRECTORY
9 ASSISTANCE SERVICES DUE TO A LACK OF BRANDING
10 CAPABILITY. IS THIS CRITICISM APPROPRIATE?
11

12 A. In determining the appropriateness of direct routing in all states, including
13 Florida, the issue has always been whether ALECs could order this service to
14 obtain the desired branding. The operative word here is "order," and nowhere
15 in Mr. Hamman's testimony does he suggest that AT&T has placed an order
16 for this service. An ALEC wanting its own brand can order direct routing and
17 this branding capability today.
18

19 Q. YOU APPEAR TO BELIEVE THAT AT&T IS ESSENTIALLY TRYING TO
20 DRAW OUT AND UNDULY DELAY THE PROCESS OF CHECKLIST
21 COMPLIANCE. CAN YOU FURTHER ILLUSTRATE THIS POINT?
22

23 A. Yes. The last few examples are illustrations of this situation. AT&T witnesses
24 repeatedly indicate that either AT&T must be fully satisfied before compliance
25 is granted or that more time/experience is needed, or the witnesses simply

1 confuse the issues; all for the same purpose — delay. While not an exhaustive
2 list, the following excerpts from AT&T's witness, Mr. Hamman, clearly
3 highlight AT&T's delay tactics and strategy to overly complicate the issues.
4

5 *Illustrative examples:*
6

7 On page 10, Mr. Hamman (at line 14) indicates that experience in providing
8 services to IXCs "has only limited relevance" to access and interconnection.
9 Yet on page 40 he is critical because BellSouth would not allow local traffic on
10 AT&T's transport services used for IXC access. Similarly, AT&T
11 continuously argues that access and interconnection are fundamentally the
12 same and should be priced accordingly. It is inconceivable that one could
13 conclude that the services provided to IXCs are functionally the same as the
14 capabilities included in the checklist, but that the experience BellSouth has in
15 providing these essentially identical capabilities has no relevance.
16

17 On page 14, at line 12 in discussing performance measures, the same witness
18 suggests an additional "six months to a year will be required to determine how
19 the measurements are working."
20

21 On page 16 at line 10, discussing network unbundling, AT&T's witness
22 suggests "It is vitally important that there be a sufficient period of time to
23 permit BellSouth and the CLECs to work out transitional issues . . ."
24

25 On page 21, discussing the fact that AT&T and BellSouth have a document

1 governing collocation, AT&T suggests that "until the procedures set forth in
2 the document are finalized . . . it is too soon to know whether BellSouth can
3 meet the Act's requirements for collocation."
4

5 On the subject of maintenance (page 22, line 22), AT&T suggests that
6 compliance requires not only procedures being in place but that "field
7 experience will be required."
8

9 In considering the provisioning of "the unbundled platform," AT&T (page 31,
10 line 4) believes compliance is contingent upon procedures being defined and
11 put in place for AT&T, before AT&T can enter the market. Further, to satisfy
12 AT&T (page 32), "methods and procedures must be tested and analyzed
13 against performance measurements."
14

15 Mr. Hamman states once again on page 47, in connection with Checklist Item
16 No. 9, that methods and procedures must be established for the assignment of
17 telephone numbers. However, in the paragraph above this statement, he
18 references "telecommunications numbering administration guidelines, plans or
19 rules" that are being established. These are industry guidelines which
20 BellSouth does not control.
21

22 Q. PLEASE DESCRIBE BELLSOUTH'S ACTUAL EXPERIENCE IN
23 PROVIDING THE VARIOUS CHECKLIST ELEMENTS.
24

25 A. As discussed in more detail in the testimony of BellSouth witnesses Keith

1 Milner and Bill Stacy, BellSouth has actual and substantial experience in
2 providing capabilities associated with each of the 14 checklist items.

3
4 Checklist Item No. I: Interconnection

- 5
- 6 • As of July 1, 1997, BellSouth had over 22,830 local interconnection
7 trunks of various types that had been ordered, provisioned and were in
8 service throughout the BellSouth region. This includes 7,828
9 interconnection trunks in Florida. In addition, these trunks and the
10 processes used to obtain them are very similar to switched access
11 trunks, with which BellSouth, as well as many ALECs, have had years
12 of experience. To borrow a term from the Act, a facilities-based carrier
13 providing services "exclusively" over its own facilities would need
14 nothing more than interconnection to compete with BellSouth.

15
16 Checklist Item No. II: Access to Unbundled Network Elements

- 17
- 18 • As of June 15, 1997, BellSouth has more than 246 collocation
19 arrangements in place or in progress throughout the BellSouth region,
20 with 65 of them in Florida. The collocation arrangements involve both
21 physical collocation (62 regionally and 7 in Florida) and virtual
22 collocation (184 regionally and 58 in Florida). The virtual collocation
23 arrangements are offered through the interstate access tariff and
24 negotiated agreements, and the physical arrangements are offered only
25 through agreements. 112 arrangements (31 in Florida), roughly split

1 between physical and virtual, are in progress, while the others are
2 already completed.

3

4 Checklist Item No. III: Access to Poles, Ducts, Conduits and Rights-of-Way

5

- 6 ● BellSouth has provided access to its poles, ducts, conduits and rights-
7 of-way through agreements that in some cases date as far back as
8 twenty-five years or more. The capabilities are identical to what an
9 ALEC would receive.

10

11 Checklist Item No. IV: Unbundled Local Loop Transmission

12

- 13 ● As of July 1, 1997, BellSouth had 3,575 unbundled loops in service
14 throughout the BellSouth region, about three times the number in
15 March. This number includes 1,392 unbundled loops in Florida. Some
16 of those loops also involve unbundled local transport provided to
17 connect the loop with a collocation arrangement in a different office or
18 an ALEC's own location.

19

20 Checklist Item No. V: Local Transport From the Trunk Side Unbundled From
21 Switching Or Other Services

22

- 23 ● Unbundled interoffice transport which is also comparable to
24 interconnection trunks is very similar to the interoffice transport
25 component of access services, both with which BellSouth and many

1 ALECs have had years of experience. Examples of some current
2 applications of local transport include providing transport paths from
3 ALECs to BellSouth's Directory Assistance databases, to BellSouth's
4 Operator Services databases and to BellSouth's E911 databases. See
5 Checklist Item No. VII for specific quantities of these transport paths
6 provided as of July 1, 1997.

7

8 Checklist Item No. VI: Unbundled Local Switching

9

- 10 • BellSouth had processed orders for 26 unbundled ports as of June 17,
11 1997, with seven in Florida. However, with the exception of the wiring
12 of the loop to the port in the central office, this offering is virtually
13 identical to BellSouth's existing retail exchange services. It is not
14 surprising that only a few ports have been ordered because it would
15 typically entail an ALEC providing its own loop to the BellSouth
16 switch, which is not the type of configuration envisioned for some time.

17

18 Checklist Item No. VII: Nondiscriminatory Access to 911/E911, Directory
19 Assistance Services, and Operator Call Completion Services

20

- 21 • As of July 1, 1997, BellSouth had 169 trunks in service connecting
22 ALECs with BellSouth's E911 arrangements throughout the region,
23 including 88 in Florida. BellSouth also has had experience loading
24 data for several ALECs into BellSouth's E911 databases.
- 25 • As of July 1, 1997, BellSouth had 412 directory assistance trunks

1 involving ALECs in service throughout the BellSouth region, with 156
2 in Florida. In addition, BellSouth has for many years provided
3 comparable directory assistance to independent telephone companies in
4 Florida, as well as to interexchange carriers. BellSouth also has offered
5 its Directory Assistance Database Service (DADS) regionally since
6 1993, and currently provides DADS to 11 customers. BellSouth also
7 has offered its Direct Access to Directory Assistance Service (DADAS)
8 since 1996, and has one customer.

- 9 • As of July 1, 1997, BellSouth had provided 40 verification and inward
10 operator trunks (11 in Florida) and 176 trunks to operator services to
11 ALECs (31 in Florida). There should be no doubt about BellSouth's
12 ability to provide these capabilities to ALECs, as BellSouth has been
13 providing these capabilities to independent companies and
14 interexchange carriers for years.

15
16 Checklist Item No. VIII: White Pages Directory Listings for ALEC Customers

- 17
18 • See Checklist Item No. XIV.

19
20 Checklist Item No. IX: Nondiscriminatory Access to Telephone Numbers

- 21
22 • With regard to providing ALECs with access to telephone numbers, as
23 of June 23, 1997, BellSouth had activated a total of 496 NPA/NXX
24 codes for ALECs throughout the BellSouth region, with 130 provided
25 in Florida.

1
2 Checklist Item No. X: Nondiscriminatory Access to Signaling and Signaling
3 Databases

- 4
- 5 • BellSouth has one ALEC connected directly to BellSouth's SS7
6 network regionally, and, as of July, 1, 1997, seven other ALECs access
7 the SS7 network through third party hub providers.
 - 8 • BellSouth has provided access to the toll free number database for
9 several years. BellSouth currently provides access to its toll-free (800)
10 number database with eight million database queries in January through
11 April of 1997. BellSouth also offers Advanced Intelligent Network
12 (AIN) products that allow other parties to create and store applications
13 in BellSouth's service control points. Those products have been used
14 since April, 1996 and have been used in technical trials. BellSouth also
15 has Line Information Database (LIDB) agreements in place with
16 several ALECs. More than 129 million non-BellSouth queries were
17 made to LIDB in January through April of 1997.

18
19 Checklist Item No. XI: Service Provider Number Portability

- 20
- 21 • As of July 8, 1997, BellSouth had in service interim number portability
22 arrangements involving remote call forwarding (RCF) for 7,401 ported
23 numbers, an increase from 3,573 in March. Some 2,780 of the ported
24 numbers were in Florida. This RCF arrangement is comparable to the
25 retail offering of RCF, although the rate is much lower. There is also

1 additional significance to this number in that it exceeds the number of
2 unbundled loops discussed previously. **The differences between these**
3 **numbers would suggest that ALECs are using their own loop**
4 **facilities to provide local service.**

5
6 Checklist Item No. XII: Dialing Parity

- 7
- 8 • As addressed in my direct testimony, BellSouth currently provides
9 dialing parity.

10
11 Checklist Item No. XIII: Reciprocal Compensation

- 12
- 13 • See Checklist Item No. I regarding interconnection. Reciprocal
14 compensation involves the recovery of costs associated with the
15 transport and termination on each carrier's facilities of calls that
16 originate on the network facilities of the other carrier. The trunks
17 described in Checklist Item No. I are used for this purpose.

18
19 Checklist Item No. XIV: Retail Services Available for Resale

- 20
- 21 • BellSouth had processed orders for more than 88,000 resold local
22 exchange services as of May 15, 1997, of which more than 49,000 were
23 in Florida. As these orders include directory listings, this also provides
24 evidence of BellSouth's ability to process ALECs' orders for white
25 pages directory listings, and to include those listings in the directory

1 assistance database.

2
3 Given BellSouth's substantial experience and many successes in providing the
4 checklist items, there is no merit to the claims of other parties that BellSouth's
5 checklist compliance is speculative or premature. Further, these numbers
6 would tend to indicate an order of priority in terms of the need for checklist
7 related items by competitors. The primary issue for facilities-based carriers is
8 interconnection and for resellers, of course, is the resale procedures. Certainly,
9 loops are important as well, but as the numbers suggest, some competitors are
10 not relying on unbundled loops but are using their own. These are also the
11 areas with which BellSouth has relatively more experience.

12
13 **PART C: PRICING OF UNBUNDLED ELEMENTS**

14
15 Q. MR. WOOD (PAGE 18) ASSERTS THAT THE PRICES IN BELLSOUTH'S
16 STATEMENT ARE NOT COMPLIANT WITH THE CHECKLIST.
17 WOULD YOU PLEASE ADDRESS MR. WOOD'S ARGUMENTS?

18
19 A. Yes. Mr. Wood contends that "limitations in the cost data available to the
20 Commission in the arbitration proceedings appears to have resulted in the
21 establishment of a number of permanent rates for unbundled elements that are
22 not cost-based and which therefore cannot be used to demonstrate compliance
23 with item (ii) of the competitive checklist."

24
25 First, the Commission did review and address costing methodologies to be

1 used in setting rates in the arbitration cases. For example, the Commission
2 reviewed MCI's and AT&T's proposed Hatfield costs as well as the Total
3 Service Long Run Incremental Cost (TSLRIC) studies provided by BellSouth.
4 The rates that the Commission ordered in the arbitration cases are included in
5 the Statement. Other rates in the Statement are from approved negotiated
6 agreements or existing BellSouth tariff rates.

7
8 In the AT&T and MCI arbitration proceedings, the Commission found that
9 TSLRIC is the "appropriate costing methodology" and ordered BellSouth to
10 file TSLRIC cost studies for those rates for which interim rates were set.
11 (December 31, 1996 Final Order on Arbitration in the consolidated dockets,
12 page 33). BellSouth filed the applicable cost studies on March 18, 1997. The
13 Commission-ordered rates are consistent with both Sections 252(c)(2) and
14 (d)(1) of Act.

15
16 Despite the Commission's clear indication that it had reviewed cost
17 methodologies and had established rates based on such, Mr. Wood implies that
18 the rates are not cost-based.

19
20 Underlying Mr. Wood's argument is his apparent assumption that there must
21 be a singular method or a permanent cost methodology to be used in meeting
22 the cost standard under the Act. First, the standard for review of the Statement
23 is the cost standard under the Section 252(d) of the Act, the same standard that
24 the Commission applied in the arbitration cases — cost plus a reasonable
25 profit.

1
2 A singular means is not the only method for meeting this standard. For
3 example, this standard can be met in developing rates that are not subject to
4 prospective or retroactive adjustments, rates subject to prospective only
5 adjustments, or rates subject to both retroactive and prospective adjustments.
6 Additionally, rates based on differing costing approaches, e.g., Total Element
7 Long Run Incremental Cost (TELRIC) or Hatfield or LRIC or TSLRIC or a
8 multitude of other methodologies, could meet the cost standard if the
9 Commission has determined that these are the appropriate approaches for
10 establishing such rates. As long as the rate that BellSouth establishes is cost
11 based, which can include a reasonable profit, the standard can be met.

12
13 Additionally, Mr. Wood ignores the real world events of determining a precise
14 or singular methodology for determining costs. The FCC tried to mandate a
15 specified methodology, and the Eighth Circuit Court of Appeals vacated such
16 pricing rules, stating "the FCC exceeded its jurisdiction in promulgating the
17 pricing rules." (July 18, 1997 U. S. Court of Appeals for the Eighth Circuit
18 decision, Case No. 96-3321, section II). Mr. Wood's implication could be
19 construed to mean that rates cannot be in compliance until all issues before the
20 Court and FCC have been resolved. The purpose of such a claim is patently
21 clear — to further delay BellSouth's entry into interLATA service. This result
22 would be as illogical as delaying the ability of local competitors to resell or to
23 lease unbundled elements until all pricing issues are fully resolved.

24
25 Mr. Wood supports his argument that costs have not been determined by

1 pointing to the fact that the Commission has "required BellSouth to provide
2 cost studies. . ." BellSouth filed the applicable cost studies in compliance with
3 this Order. There probably has never been a contested case in which all issues
4 were completely resolved initially, and I doubt if any case has reached the
5 magnitude of this one with respect to the sheer volume of individual cost
6 studies, differing methodologies and issues involved in setting rates for
7 unbundled elements. There is clearly no reason that all such issues necessarily
8 have to be finalized. The only issue is whether the appropriate standards have
9 been met. To this end, there is no doubt that this Commission fulfilled its
10 statutory obligation for arbitration under the Act by setting cost-based rates for
11 the unbundled elements offered by BellSouth for purchase by AT&T and MCI.

12
13 Q. PLEASE ADDRESS MR. WOOD'S CONTENTION (PAGE 24) THAT
14 INTERIM RATES CANNOT BE COMPLIANT WITH THE ACT?

15
16 A. As Mr. Varner explains in his testimony, Mr. Wood ignores the plain language
17 of Section 252(d), which only requires that rates for interconnection be cost
18 based. This Commission conducted its arbitration proceedings subject to
19 Section 252(c), which expressly requires that the Commission establish rates
20 according to Section 252(d). This is the same cost standard that is to be
21 applied by the Commission in its review of rates in this proceeding. There is
22 nothing that prohibits initial cost-based rates established through arbitration
23 from meeting this standard. Similarly, there is nothing in the Act that
24 precludes the Commission from using several cost methodologies or from
25 using a different methodology to establish cost-based rates at a later date. In

1 these instances, the rates would still be cost based, which is all that 252(d)
2 requires.

3
4 Further, the belief that compliance with Sections 252 and 271 of the Act
5 requires the establishment of "permanent prices" also is at odds with the FCC's
6 view of the Act. The FCC itself recognized the appropriateness of "interim
7 arbitrated rates" that "might provide a faster, administratively simpler, and less
8 costly approach to establishing prices" (First Report and Order, Docket No.
9 96-325 at ¶ 767 (August 8, 1996)). Likewise, in reviewing Ameritech -
10 Michigan's Section 271 application, the Michigan Public Service Commission
11 expressly rejected the contention "that interim rates may not be utilized to
12 satisfy the requirements of the Act..." noting that rates are always subject to
13 review and revision. (See Application of Ameritech Michigan Pursuant To
14 Section 271 of the Telecommunications Act of 1996, CC Docket No. 97-1
15 (Feb. 5, 1997) at p. 13).

16
17 Q. DO OTHERS SUPPORT YOUR VIEW THAT RATES WILL CHANGE?

18
19 A. Yes. Dr. David Kaserman testifying on behalf of AT&T in a recent
20 Mississippi arbitration proceeding stated that "no rate is permanent; at no time
21 is there perfect information." Dr. Kaserman further asserted that "...we are not
22 going to decide today permanent rates, and you won't decide in six months. I
23 don't think there is any such thing as a permanent rate. You're going to be
24 coming back and re-examining costs as long as this firm has a monopoly
25 position and until the firm is deregulated. Whoever is in charge is going to be

1 looking periodically at cost figures supplied by this firm to change the rates
2 that are in place. That's going to be an ongoing process. And I think it's going
3 to be around for a long time." (Mississippi PSC Docket No. 96-AD-0559,
4 February 10, 1997, Hearing transcript, page 115.)

5
6 In response to a question dealing with his opinion of rates that might be in
7 effect for five to six months, and subject to a forward adjustment only, Dr.
8 Kaserman said: "So my concern becomes somewhat less. I still have a little
9 concern about the cost numbers that they are going to come up with; but as
10 long as you base rates on cost, then you're going to have that problem of
11 verifying cost." (Mississippi Hearing transcript, page 126.) These comments,
12 which reflect in a manner the practical determination of rates, would certainly
13 support a degree of variability in what some parties choose to describe as
14 "permanent" rates, similar to what might be anticipated in "true-up" rates.

15
16 Q. WHAT OTHER FACTORS NEED TO BE CONSIDERED REGARDING
17 INTERIM OR TEMPORARY RATES?

18
19 A. The arbitrated agreements, the negotiated agreements and the BellSouth
20 proposed Statement are established for a specified period, for example, two
21 years. Given that the compliance with the cost standards of the Act are
22 ultimately intended to allow BellSouth to enter the in-region long distance
23 market, an entry that will hopefully continue well beyond a two year period, it
24 is difficult to imagine how much more "certainty," if any, can be attributed to a
25 "permanent" rate than a "true-up" or temporary rate.

1
2 The rates included in the Statement have resulted from arbitration proceedings,
3 negotiations or existing tariff rates, so there are no new rates. Similarly, future
4 rates, those that result from the Commission's future proceedings, will be a
5 result of a Commission's decision, not any unilateral action by BellSouth.
6 Overall, there would appear to be more than enough checks and balances to
7 assure that the concerns raised by the witnesses will remain unfounded.

8
9 The proposed rates in the Statement for the most part are based on TSLRIC.
10 The Commission may establish adjusted rates, if necessary, after further
11 review. Under those circumstances there is no conceivable justification that
12 would lead to a conclusion that the same process as described above cannot
13 also apply to an approved Statement and the ALECs that purchase from it.

14
15 Q. PLEASE ADDRESS MR. WOOD'S CONTENTION (PAGE 31) THAT
16 RATES FOR UNBUNDLED ELEMENTS MUST REFLECT ANY
17 GEOGRAPHIC COST DIFFERENCES IN ORDER TO BE COMPLIANT
18 WITH THE ACT.

19
20 A Mr. Wood is trying to relitigate deaveraged pricing of unbundled elements, an
21 issue that the Commission has already addressed and rejected in arbitration
22 cases. A number of points are important here. First, the Act does not require
23 that rates for unbundled elements be deaveraged. The Commission can
24 determine whether geographic rates should be set and the timing for
25 implementation of such rates. At this time there is clearly no basis for a

1 requirement for deaveraged rates and, as such, there is no basis for delaying
2 checklist compliance.

3
4 Q. MS. MURPHY(ACSI) RAISES THE CONCERN THAT ACSI CANNOT
5 COMPETE FOR RESIDENCE CUSTOMERS BECAUSE OF THE
6 UNBUNDLED LOOP PRICES. DO YOU AGREE WITH THIS
7 ASSESSMENT?

8
9 A. No. Ms. Murphy states "Unfortunately, BellSouth has demanded a price for
10 unbundled loops and associated facilities that exceeds the corresponding price
11 charged by BellSouth for residential retail local exchange services." (page 8). I
12 accept that ACSI does not plan to enter the residence market, but not for the
13 reasons stated. The ACSI agreement was the first agreement signed by
14 BellSouth that included a true-up rate for loops. This agreement was reached
15 the morning that an ACSI arbitration hearing was scheduled in Alabama. The
16 evening before, I contacted ACSI personally and asked whether we might be
17 able to resolve the outstanding issues. ACSI agreed that we would request a
18 delay in the start time of the Alabama hearing so that the parties could spend a
19 few hours discussing the issues. That morning, BellSouth and ACSI
20 representatives met and agreed upon loop prices (including Florida prices). If
21 ACSI chooses to not enter the residence market they should not cast aspersions
22 at prices to which ACSI voluntarily agreed to, as the cause.

23
24 Q. WITH THE NUMBER OF ISSUES CONCERNING COST-BASED RATES,
25 ARE THERE ANY ANALOGOUS SITUATIONS THAT THE

1 COMMISSION CAN CONSIDER?

2
3 A. While the specific issues here relate to the Act, the FCC's TELRIC
4 methodologies and the Florida Commission's action in the arbitration cases,
5 there is some previous experience that can be beneficial for consideration here.
6 At the time of divestiture, the MFJ provided guidelines equivalent to those in
7 the Act. For example, the MFJ (Appendix B) states that "Each tariff for
8 exchange access should be filed on an unbundled basis... and no tariff shall
9 require an interexchange carrier to pay for types of exchange access that it does
10 not utilize. The charges for each type of exchange access shall be cost justified
11 and any differences in charges to carriers shall be cost justified on the basis of
12 differences in services provided." This language is not dissimilar to the criteria
13 set forth in Section 252(d) of the Act.

14
15 These MFJ requirements were initially implemented in 1984 by the FCC,
16 every state commission and hundreds of telephone companies. While the FCC
17 promulgated costing rules (Part 69) for access, most states did not have a
18 specific formula to follow. Since those initial filings, rates have changed
19 innumerable times and, more importantly, the basis for establishing those rates
20 has changed significantly. In 1984, rate of return regulation was the primary
21 basis for establishing rates. Today, price caps in the federal arena and
22 incentive or price regulation in the states are the norm. The changing
23 regulatory requirements have substantially modified the procedures for
24 establishing access rates.

1 Throughout this entire process, there were no claims that the MFJ costing
2 standards had not been met. One can only imagine what might have happened
3 (and might still be happening) if a decision had been made requiring final rates
4 or a final costing methodology before the cost standards of the MFJ were
5 satisfied. While the circumstances are very similar, the attitude and
6 motivations of the parties are not. At that time, AT&T, MCI and others
7 wanted divestiture to occur; AT&T would meet its MFJ obligations and MCI
8 would get equal access, parity with AT&T, etc. In today's environment, these
9 same carriers benefit from delay — the longer they can keep BellSouth out of
10 the in-region long distance market the better off they are.

11

12 **PART D: SPECIFIC RESPONSES TO ISSUES RAISED BY THE**
13 **INTERVENORS**

14

15 **RESALE ISSUES**

16

17 Q. ON PAGES 21-24 OF MS. MURPHY'S TESTIMONY, SHE VOICED
18 CONCERNS DEALING WITH CONTRACT SERVICE ARRANGEMENTS
19 (CSAs) AND/OR BELL SOUTH'S ABILITY TO "LOCK IN" CUSTOMERS
20 THROUGH OTHER PROCESSES. WOULD YOU COMMENT ON THIS?

21

22 A. Yes. Ms. Murphy's (ACSI) concerns about the provision of CSAs is not a new
23 issue. It has been the subject of several arbitration proceedings before this
24 Commission, and a decision has been rendered. CSAs are available for resale.
25 There is no need for the Commission to revisit this issue. This is merely one of

1 several issues raised in this proceeding, without any reference to this
2 Commission's prior decisions, that have already been decided.

3
4 The testimony of this witness points out one of the concerns that can arise in a
5 proceeding such as this. The Commission has already evaluated many of the
6 items Ms. Murphy and the other intervenors raise, and BellSouth has relied on
7 those decisions in developing its Statement.

8
9 Q. WOULD YOU NOW COMMENT ON SOME OF THE OTHER SUPPOSED
10 NON-COMPETITIVE PRACTICES THAT WERE ADDRESSED BY MS.
11 MURPHY?

12
13 A. Yes. Ms. Murphy (ACSI) seems to believe that BellSouth is "locking in"
14 customers through contracts and perceives that having authorized sales agents
15 and arrangements with building managers are relevant to this proceeding.
16 BellSouth has used contract arrangements for years to respond to competition.
17 Prior to the Commission's recent decisions, these contracts were not available
18 to be resold. Now, as discussed previously, any new contract for
19 telecommunications service will be available for resale, making it easier for an
20 ALEC to compete with BellSouth.

21
22 Ms. Murphy's belief that either BellSouth's agency programs or its
23 relationship with building managers is anticompetitive is unfounded. Use of
24 sales agents is a common practice in the marketplace. I understand that Ms.
25 Murphy's own company, ACSI, recently purchased CyberGate, which is an

1 authorized sales agency. BellSouth has also used agents for many years to
2 augment its own sales force. This is not a recent practice aimed at locking out
3 competition. Sound business practices dictate such arrangements and assure
4 that an agent cannot simply shift a customer base to another provider without
5 some protections being built into the agency agreement. Further, let me assure
6 ACSI that BellSouth has only a handful of agents in Florida, and that there are
7 any number of agents that ACSI may wish to use.

8
9 The relationship with building owners, described by Ms. Murphy, has no
10 exclusivity to BellSouth. ACSI and other ALECs are free to do whatever they
11 desire. A simple reading of paragraph 10 of the letter of agreement between
12 BellSouth and building owners (Exhibit No. 4 to Ms. Murphy's testimony)
13 states "...nothing in this agreement shall be construed to preclude any building
14 tenant from obtaining telecommunications services from others legally
15 authorized to provide such services." BellSouth has less than 20 such contracts
16 with building owners in Florida. Indeed, ALECs in Florida are entering into
17 more exclusive arrangements with property owners than BellSouth.

18
19 **RECOMBINATION AND UNBUNDLED SWITCHING**

20
21 Q. MR. GILLAN, MR. WOOD AND OTHERS SUGGEST THAT
22 BELLSOUTH'S STATEMENT IS DEFECTIVE BECAUSE BELLSOUTH
23 DOES NOT PROVIDE CARRIERS THE ABILITY TO ORDER NETWORK
24 ELEMENTS IN COMBINATION. DO YOU AGREE WITH THEIR
25 ASSESSMENT?

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A. No. The nature of the testimony may need to be assessed based on the actual issue in a specific state. Mr. Gillan, for example, uses eighteen pages discussing the combination of network elements. Mr. Gillan also filed testimony in Kentucky, Louisiana and South Carolina on the combination of network elements. The differences among the four testimonies are minimal, although he includes extra pages to discuss the local switching element in particular in his Florida testimony. On page 32, lines 5-7, the Kentucky version states: "Even though federal rules and this Commission's orders require that such combinations be made available, BellSouth is not yet providing carriers the ability to order network element combinations in the manner described above." In South Carolina and Louisiana, Mr. Gillan did substitute language which acknowledges that these commissions did not require that BellSouth provide network element combinations at the unbundled prices in their arbitration decisions.

The fundamental difference between the Kentucky and Florida arbitration Orders is that Kentucky requires recombination of loops and ports at the unbundled prices, while Florida requires recombination but has not made a decision regarding the pricing issue. In Kentucky, Mr. Gillan argued an issue that AT&T had essentially won yet still attempted to somehow show that it is not available. His conclusion is that BellSouth has not complied with the checklist in this area. In Florida, the same arguments have been expanded, and witnesses are requesting reconsideration of a decision that AT&T did not agree with in the arbitration proceeding. Mr. Gillan, therefore, concludes for

1 different reasons that compliance has not been achieved. Two states — two
2 entirely different Commission decisions — yet the same conclusion, i.e., no
3 compliance, but for different reasons. It would seem apparent that the bulk of
4 the eighteen pages is not at all related to the conclusion that has been reached,
5 but rather reflects a desire to draw a conclusion of non-compliance, regardless
6 of the circumstances.

7
8 Similarly, Mr. Wood, on page 5 of his testimony, asserts that “BellSouth has
9 refused to permit new entrants to purchase combinations of unbundled network
10 elements at the rates ordered by this Commission.” BellSouth’s Statement
11 provides for the recombination of network elements at the resale discount
12 price. It is fully compliant with the Commission’s decisions on this issue.
13 BellSouth has every intention of providing unbundled elements and
14 interconnection services on a generally available basis in compliance with the
15 Commission’s Orders.

16
17 Q. WOULD YOU PLEASE RESPOND TO ASSERTIONS BY MR. GILLAN
18 (PAGE 28) AND MR. GULINO (PAGE 20) THAT RECOMBINATION OF
19 ELEMENTS IS NOT BEING PROVIDED?

20
21 A. Mr. Gillan asserts that an ALEC must be able to purchase combinations of
22 network elements, such as preexisting loop and switch combinations.
23 BellSouth’s Statement does provide ALECs the ability to lease recombined
24 network elements, and specifically the preexisting loop and switch connections
25 that Mr. Gillan is requesting.

1
2 Mr. Gulino (pages 19-22) further asserts that recombination is not being
3 provided because industry standards have not been developed, and the
4 Statement does not clearly identify what elements can be combined. The issue
5 of industry standards is one that MCI raises globally and is discussed in more
6 detail by Ms. Calhoun. Suffice it to say here that there is no requirement for an
7 industry standard solution, and while BellSouth will continue to support
8 industry wide compatibility, the lack of this can in no way be used to deny
9 compliance of the Statement.

10
11 Q. PLEASE ADDRESS MR. GILLAN'S ASSERTION (PAGE 28) THAT
12 UNBUNDLED SWITCHING IS NOT BEING PROVIDED BECAUSE
13 CERTAIN SYSTEMS HAVE NOT BEEN DEVELOPED TO SUPPORT
14 CARRIER ACCESS BILLING AND TO PLACE PURCHASERS IN
15 CONTROL OF THE FEATURES AND ROUTING CAPABILITIES IN THE
16 SWITCH.

17
18 A. Before dealing with the specifics of Mr. Gillan's comments, it appears that the
19 words of a great American philosopher, "deja vu all over again," are
20 appropriate here (attributed to Lawrence "Yogi" Berra). Mr. Gillan and other
21 witnesses for AT&T and MCI have made these same arguments before. The
22 Commission has clearly evaluated them and included them in prior decisions
23 as deemed appropriate. Many of these arguments, to Mr. Gillan's apparent
24 dismay, have been rejected. Repeating the same arguments, albeit somewhat
25 condensed from prior filings, appears not to be needed.

1
2 Mr. Gillan seems to imply that BellSouth will not provide local switching
3 unbundled from transport, local loop transmission or other services as specified
4 in the competitive checklist. In terms of the unbundled switching element,
5 BellSouth does indeed provide that capability unbundled from transport in
6 accordance with the Act, the FCC Order and this Commission's decisions.
7 Additionally, multiple local providers can use unbundled switching to provide
8 their own services. Mr. Gillan (page 21), Mr. Hamman (page 28) and Mr.
9 Wood (page 20) have again defined unbundled switching in terms of the
10 "platform" approach, a concept that has not been endorsed by any Commission
11 to date within the BellSouth region, nor is it a capability that the FCC Order, in
12 defining unbundling, requires. AT&T continues to raise this with the apparent
13 motivation to confuse, complicate and delay.

14
15 The Commission can be assured that the Statement provides ALECs the ability
16 to purchase unbundled switching, which includes the features in the switch, as
17 defined by the FCC and approved by this Commission.

18
19 In conclusion, the Act does not require Mr. Gillan's platform approach which
20 essentially means leasing switch capacity. The FCC rules did not require such
21 provisioning. Neither did this Commission require such provisioning. The
22 Statement is consistent with this Commission's Orders in the arbitration cases
23 where unbundled switching was arbitrated.

24
25 Q. MR. GILLAN ALSO STATES THAT THE PROVISION OF UNBUNDLED

1 SWITCHING REQUIRES SYSTEMS TO SUPPORT CARRIER ACCESS
2 BILLING (PAGE 28). WHAT IS YOUR RESPONSE?

3
4 A. Carrier access billing has been in place for many years, and as changes in
5 switched access charges have occurred, the systems have accommodated the
6 changes. This will continue to occur as interstate and intrastate access charges
7 continue to undergo change.

8
9 Q. ARE THERE OTHER RELEVANT POINTS REGARDING THE
10 INTERVENOR WITNESSES' ARGUMENTS ABOUT UNBUNDLED
11 LOCAL SWITCHING?

12
13 A. Yes. Mr. Gillan states that: "The switch lies at the heart of local exchange
14 service" (page 16). Apparently, Mr. Gillan and others ignore the fact that there
15 are alternatives to BellSouth's switch. Dr. Cornell, an economist, on the "same
16 side" as Mr. Gillan, in a recent Florida proceeding (for Docket Nos. 950984-TP
17 and 950985-TP), testified that switching was a competitively available
18 capability that could be market priced as opposed to the pricing standards that
19 were proposed for the loop. Specifically, in response to a question concerning
20 the pricing of unbundled elements asked by then Chairman Clark, Dr. Cornell
21 stated the following:

22
23 "I believe that when it is an essential facility and available only from
24 the incumbent or available only from the firm whom you are asking it,
25 it should be at total service long run incremental cost. When there is
26 genuinely a competitive alternative or the fairly clear ability for there to

1 be a competitive alternative, it does not need to be... I believe that
2 originating local switching, which is what I assume you get when you
3 buy a port, essentially, if you were to subscribe to an unbundled port, is
4 competitively available. MCI Metro is going to put in a switch, MFS is
5 going to put in a switch.”

6
7 BellSouth certainly agrees that switching is a readily available commodity,
8 especially to a company as large and financially strong as AT&T. Of course,
9 until very recently, AT&T was a primary producer of these switches, which are
10 today available from Lucent Technologies Inc.

11
12 To summarize the issue of switching, the arguments are not new. The
13 Commission has decided the means by which switching will be provided, and
14 despite all these issues, unbundled switching will allow multiple vendors to
15 provide service from a single switch, which Mr. Gillan believes is important.

16
17 Overall there are ample issues before this Commission in this proceeding.
18 Parties should not use this forum to request reconsideration of prior
19 Commission decisions. This tact is not to be condoned, especially when no
20 new facts have been provided.

21
22 Q. WHAT DID THE COMMISSION ORDER REGARDING THE
23 RECOMBINATION OF UNBUNDLED ELEMENTS AND THE
24 PROVISION OF SWITCHING?

25
26 A. This Commission addressed these issues during the AT&T and MCI arbitration

1 proceedings. In its December 31, 1996 Final Order on Arbitration in the
2 consolidated dockets, the Commission allowed AT&T and MCI to combine
3 unbundled network elements in any manner they choose, including recreating a
4 BellSouth service, but the Commission did not rule on the pricing of
5 recombined elements. (Order No. PSC-96-1579-FOF-TP, pages 37-38).

6
7 Further, in its March 19, 1997 Final Order on Motions for Reconsideration on
8 the consolidated dockets, regarding the rates for recombined elements, the
9 Commission stated "it is inappropriate for us to make a determination on this
10 issue at this time." (Order No. PSC-97-0298-FOF-TP, page 7). On May 27,
11 1997, the Commission entered an Order (Order No. PSC-97-0602-FOF-TP)
12 regarding the arbitrated Interconnection Agreement between BellSouth and
13 AT&T. In that Order, the Commission said "... we stated that the pricing issue
14 associated with the rebundling of UNEs to duplicate a resold service was not
15 arbitrated." (Order, page 7) (emphasis added).

16
17 On June 10, 1997, BellSouth sent to AT&T a letter inviting AT&T to negotiate
18 this currently unresolved issue of the pricing of recombined elements. AT&T
19 refused to negotiate, stating that its position on this issue was set forth in its
20 Motion To Compel Compliance. The Motion was filed with this Commission
21 on June 9, 1997. BellSouth's letter seeking negotiations was sent the day after
22 it signed the Interconnection Agreement but before being served with a copy of
23 AT&T's Motion.

24
25 At this time, BellSouth is treating recombined elements for pricing purposes as

1 resale. The Statement reflects this position, pending the outcome of AT&T's
2 June 9, 1997 Motion to Compel and District Court proceedings. If the
3 Commission, in responding to AT&T's Motion, indicates another position,
4 BellSouth may need to revise the Statement.

5
6 The provision of unbundled switching was also arbitrated by the Commission.
7 In its December 31, 1996 Final Order on Arbitration in the consolidated
8 dockets, the Commission referenced the FCC's definition of the local
9 switching network element. The FCC definition includes custom calling
10 features within the definition of switching functions. The reference to the FCC
11 definition in this section of the Commission Order implies that when local
12 switching is purchased as an unbundled network element, vertical services
13 shall be included in the price of the unbundled switching element at no
14 additional charge. (Order No. PSC-96-1579-FOF-TP, pages 15-16)
15 BellSouth's Statement provides combined elements and unbundled switching
16 consistent with the Commission's Orders.

17
18 **NUMBER PORTABILITY**

19
20 Q. MR. HAMMAN (AT&T, PAGE 51) BELIEVES THE STATEMENT IS
21 DEFICIENT IN THAT ONLY TWO FORMS OF NUMBER PORTABILITY
22 ARE INCLUDED. IS THIS A DEFICIENCY?

23
24 A. No. Mr. Hamman asserts that Route Indexing - Portability Hub is required as
25 an interim portability option in order to meet the nondiscriminatory access

1 standard. He indicates that BellSouth has negotiated with AT&T to provide
2 multiple forms of number portability yet the Statement only provides for some
3 of those options such as Remote Call Forwarding (RCF). Mr. Hamman is
4 correct that multiple arrangements were indeed negotiated with AT&T and
5 were not required from the arbitration cases. There may be any number of
6 items that are in individual negotiated agreements that are not included in the
7 Statement. This fact doesn't make the Statement deficient; it makes it
8 different.

9
10 Several other points need to be made. First, the Act does not require multiple
11 forms of interim number portability to meet the checklist. BellSouth envisions
12 that the ALECs using the Statement would typically utilize RCF and possibly
13 Direct Inward Dialing (DID). Therefore, these are the only methods for
14 number portability that have been included in the Statement at this time.
15 Further, to the extent any party wants a form of interim number portability
16 different from those already included in the Statement, the bona fide request
17 process can be employed. And finally, AT&T is the only party objecting to the
18 interim number portability options, and AT&T has never indicated that it plans
19 to use the Statement in lieu of its own agreement.

20
21 Indeed, BellSouth's number portability offerings are in compliance with the
22 Commission's decision and with the stipulation reached with the parties in
23 Docket No. 750737-TP (number portability).

24
25 Q. MR. HAMMAN EXPRESSES CONCERNS ABOUT BELL SOUTH'S

1 PLANS REGARDING THE IMPLEMENTATION OF LONGER TERM OR
2 PERMANENT NUMBER PORTABILITY. WOULD YOU PLEASE
3 COMMENT?
4

5 A. Yes. Mr. Hamman's concerns are captured on page 50, "While BellSouth has
6 made progress, it has not yet met its LNP obligations under Section 271 of the
7 Act . . ." Mr. Hamman must realize that long term number portability is not
8 required for checklist compliance as yet.
9

10 Withholding interLATA relief until long term number portability is
11 implemented epitomizes AT&T intentions in this proceeding, i.e., to do
12 everything possible to keep BellSouth out of the long distance business and
13 deprive the consumers in Florida of additional long distance options.
14 However, to provide assurance to AT&T and anyone else that may have
15 similar "concerns," BellSouth understands its obligations and its efforts toward
16 meeting its long term number portability obligations will not be diminished
17 one iota if interLATA relief is granted prior to this implementation.
18

19 Q. WHAT HAS THE COMMISSION DETERMINED REGARDING INTERIM
20 NUMBER PORTABILITY?
21

22 A. In its December 31, 1996 Final Order on Arbitration in the consolidated
23 dockets, the Commission found that BellSouth was willing to provide all
24 number portability options that were requested by the parties. Therefore, the
25 method for interim number portability was not arbitrated. The Commission

1 also found "that the ALECs shall provide the same temporary number
2 portability methods as they request BellSouth to provide." (Order No. PSC-96-
3 1579-FOF-TP, page 98) BellSouth offers the two primary options, RCF and
4 DID, in its Statement and other options on a negotiated basis.

5
6 **TRANSPORT AND TERMINATION (LOCAL INTERCONNECTION)**

7
8 Q. MR. GULINO TAKES ISSUE WITH ASPECTS OF THE TRANSPORT
9 AND TERMINATION (INTERCONNECTION) OFFERING. ARE THESE
10 NEW CONCERNS THAT MUST BE CONSIDERED?

11
12 A. No. Compensation arrangements for the transport and termination of local
13 traffic calls was arbitrated by this Commission. Mr. Gulino is trying to reopen
14 a resolved issue.

15
16 Mr. Gulino's concerns about interconnection seem to be primarily focused on
17 collocation (testimony, page 11). Mr. Gulino is correct that one form of
18 interconnection involves collocation. Interconnection can be accomplished by
19 either virtual or physical collocation, or without any collocation. As stated
20 earlier, BellSouth is processing both virtual and physical collocation orders. If
21 Mr. Gulino wants more complete implementation, he should push for timely
22 approval of the Statement so that more ALECs can enter the market and make
23 use of the various forms of interconnection that will be made available. Of
24 course, MCI could volunteer to purchase all the service capabilities offered
25 under the Statement so that no other ALEC has to be first; such an offer has not

1 been forthcoming from MCI yet.

2

3 Further, Mr. Gulino's concerns over collocation may be taken care of
4 somewhat by a simple fact that his testimony ignores. His testimony is written
5 as if physical collocation is some imponderable effort that BellSouth will use
6 to manipulate the process. Mr. Gulino fails to mention, in addition to the
7 collocation orders in progress, that several years ago BellSouth was required
8 by FCC rules to implement physical collocation, and BellSouth was able to
9 physically collocate carriers who requested it. Those carriers may have been
10 collocating to bypass BellSouth transport facilities, i.e., to compete with
11 BellSouth. Not surprisingly, no manipulation occurred then, and it will not
12 occur now. Even if for some reason physical collocation was somehow
13 delayed, an ALEC could purchase transport from BellSouth, mitigating the
14 need for collocation, at rates that this Commission has established in the
15 arbitration proceedings.

16

17 The point is, BellSouth provides the ability for any requesting carrier to order
18 collocation arrangements to satisfy individual needs, and BellSouth will work
19 cooperatively with the requesting carrier to fully implement each arrangement.
20 In addition, our information indicates that what Mr. Gulino perceives as
21 deficiencies in BellSouth's ordering guidelines and provisioning intervals has
22 certainly not hindered other ALECs' ability to negotiate and order collocation
23 arrangements from BellSouth. In fact, as already discussed, physical
24 collocation orders are currently being processed.

25

1 Q. HAS THE COMMISSION ADDRESSED THE ISSUE OF COLLOCATION?

2

3 A. Yes. In its December 16, 1996 Order on Petition for Arbitration with MFS,
4 Docket No. 960757-TP, the Commission adopted the physical collocation rates
5 contained in the BellSouth Telecommunications Negotiations Handbook for
6 Collocation ("Collocation Handbook") and required BellSouth to provide
7 TSLRIC studies, which were subsequently provided. BellSouth offers
8 collocation in its Statement at the rates ordered in the MFS arbitration case
9 (Order No. PSC-96-1531-FOF-TP), and to the extent that rates were not
10 specified in the proceeding, BellSouth has included rates in its Statement from
11 the Interconnection Agreement between BellSouth and AT&T. Additionally,
12 the Commission required in its December 31, 1996 Final Order on Arbitration
13 in the consolidated dockets that MCI should be able to:

14

- 15 1) interconnect with other collocators that are interconnected with
16 BellSouth in the same central office,
17 2) purchase unbundled dedicated transport between the collocation
18 facility and MCI's network, and
19 3) collocate subscriber loop electronics in a BellSouth central office.

20

21 Q. ON PAGE 40, MR. HAMMAN ASSERTS THAT IN GEORGIA
22 BELL SOUTH REFUSED TO PROVIDE AT&T THE ABILITY TO USE
23 EXISTING DEDICATED TRANSPORT FACILITIES TO PROVIDE
24 LOCAL SERVICE TO DIGITAL LINK CUSTOMERS. DO YOU AGREE?

25

26 A. As BellSouth understands this configuration, an AT&T end user has a

1 dedicated facility (for example, a DS1) from the end user premises to an
2 AT&T toll switch (i.e., the AT&T Point of Presence). The service in question
3 does not go through a BellSouth switch. When that end user makes or receives
4 calls, the AT&T POP does the switching. If the end user initiates a call, the
5 AT&T switch is in control of whether to switch the call. If AT&T had an
6 interconnection arrangement with BellSouth it could switch the call back into
7 the BellSouth network. If the end user was using Digital Link for incoming
8 calls, the telephone number associated with it might be an 800/888 number, or
9 a standard seven digit number. The only dedicated transport in this
10 configuration is the facility used to connect the end user's premises to the
11 AT&T POP. To the extent any issue exists, it is the same two-way trunking
12 issue that AT&T discusses in its interconnection (Checklist Item No. 1)
13 discussion. The discussion of Digital Link attempts to create a new "problem"
14 because it is discussed in the context of dedicated transport. In fact, the Digital
15 Link transport is not at issue, only, apparently, the interconnection
16 arrangements discussed previously. It should also be noted that the only way
17 the two-way trunk could be provided under AT&T's agreement is through a
18 bona fide request. Such a request was submitted on April 23, and BellSouth
19 responded in accordance with the bona fide request process. In other words,
20 the issue is being addressed consistent with the terms of the agreement.

21
22 Q. HAS THE COMMISSION RULED ON THE COMPENSATION FOR
23 TRANSPORT AND TERMINATION?

24
25 A. Yes. The Commission established rates for call transport and termination in

1 the December 31, 1996 Final Order on Arbitration in the consolidated dockets.
2 The Commission found "that BellSouth and AT&T should compensate each
3 other for transport and termination of calls on each other's network facilities at
4 rates of \$0.00125 per minute for tandem switching and \$0.002 for end office
5 termination." (Order No. PSC-96-1579-FOF-TP, page 68)

6
7 **UNBUNDLED ELEMENTS**

8
9 Q. MR. GULINO (MCI) HAS APPARENT PROBLEMS WITH THE
10 STATEMENT'S OFFERING OF DEDICATED AND COMMON
11 TRANSPORT (PAGES 24-25). DO THESE CONCERNS WARRANT
12 REJECTING THE STATEMENT?

13
14 A. No. Mr. Gulino seems to have issues which appear to be based on a level of
15 understanding that hopefully can be alleviated by some additional clarification.
16 He asserts that BellSouth's Statement "fails to embody the Act's requirement
17 of unbundled transport in that it does not provide for transmission over "multi-
18 jurisdictional" trunks once such trunks become technically feasible." The Act
19 and the FCC's Order require the availability of capabilities that are technically
20 feasible. By Mr. Gulino's own admission what he is requesting is currently not
21 feasible. In his testimony, he goes on further to state that MCI's own
22 agreement, which was in part voluntarily negotiated and in part arbitrated,
23 contains no such provisions. Apparently, MCI did not feel a need for such a
24 capability in its own agreement, but would like it in the Statement, which MCI
25 is not likely to use. It is difficult to fathom the "logic." Nevertheless, if such

1 a capability ever becomes technically feasible, it could be requested through
2 the bona fide request process. However, for now the Statement needs to
3 include capabilities that are feasible to provide, not those that are not.

4
5 BellSouth's Statement adequately provides for the provision of unbundled
6 common and dedicated transport. Further Section I.A.3 adequately provides an
7 ALEC with methods for reporting local traffic when local traffic is routed with
8 other multi-jurisdictional traffic over the same functionalities. Additionally,
9 adequate one-way and two-way trunking arrangements are provided as
10 described in Section I.D of the Statement. Further, the Statement specifically
11 provides for a bona fide request process for requests for alternative
12 arrangements. This request process is the appropriate method to handle MCI's
13 or other ALECs' requests for additional trunking arrangements.

14
15 **CONCLUSION**

16
17 Q. IN PART, DUE TO THE CONCERNS RAISED ABOVE, SEVERAL OF
18 THE INTERVENORS RECOMMEND THAT THE COMMISSION REJECT
19 THE STATEMENT. ISN'T ONE POSSIBLE ALTERNATIVE TO SIMPLY
20 ALLOW THE STATEMENT TO GO INTO EFFECT WITHOUT MAKING
21 A DETERMINATION OF CHECKLIST COMPLIANCE?

22
23 A. Section 252(f) of the Act allows a Statement, such as that filed by BellSouth,
24 to take effect and allows the Commission to continue its review before
25 determining compliance or non-compliance with the competitive checklist.

1 There is no debate that this option is available, but what must be considered is
2 what benefits might accrue from delaying a compliance decision.

3
4 It is generally acknowledged that the Statement may be used for three potential
5 purposes: 1) to provide checklist compliance under a Track B filing for in-
6 region interLATA relief; 2) in conjunction with one or more negotiated or
7 arbitrated agreements to fulfill checklist compliance under a Track A filing;
8 and, 3) to provide new entrants an effective means to compete for local
9 exchange service without the need to negotiate or arbitrate their own
10 agreement. Therefore, despite issues and decisions that may be beyond the
11 scope of this proceeding, an approved Statement can be an effective tool to
12 facilitate competition in Florida.

13
14 Q. GIVEN THE OPTIONS THAT THE COMMISSION HAS, ISN'T THE
15 EFFECT THE SAME IF THE COMMISSION CHOOSES TO REJECT THE
16 STATEMENT OR SIMPLY ALLOWS IT TO TAKE EFFECT WITHOUT A
17 DECISION?

18
19 A. No. These two actions are likely to have differing impacts and are thus
20 discussed separately. If the Commission were to reject the Statement, one of
21 the ALEC's options for entering the local exchange market without a
22 negotiated agreement would be precluded. Further, one of the fundamental
23 objectives of this proceeding, which is to provide the basis for the Commission
24 to consult with the FCC, will not have been met because a Statement that
25 comports with the Act's requirements would not be available. Such an

1 outcome would essentially guarantee that the Commission would replicate this
2 proceeding once a new statement is submitted.

3
4 Simply allowing the Statement to take effect poses some of the same problems
5 as rejecting the Statement, but has some unique considerations. Assuming the
6 Statement became effective BellSouth could proceed with its filing with the
7 FCC for in-region interLATA relief.

8
9 New entrants could still purchase from the Statement but might be in
10 somewhat of a quandary not knowing whether the terms, conditions and prices
11 can be sustained. An entrant desiring some greater control of these terms and
12 conditions would likely opt for a negotiated agreement to gain such control.
13 The usefulness of such a Statement to these entrants is, therefore, questionable.
14 Overall, given the source of the rates, terms and conditions included in the
15 Statement, i.e., prior Commission decisions, and the time and effort committed
16 to this proceeding by the Commission and the intervenors, and the limited
17 usefulness of a Statement that is not considered compliant, the suggestions of
18 some of the parties in this proceeding would not seem to provide any benefit to
19 any parties other than those who would benefit from BellSouth's delayed entry
20 into the in-region marketplace.

21
22 Q. GIVEN EVERYTHING THAT HAS BEEN ARGUED BY THE
23 INTERVENORS, IS THERE AN OVERALL PERSPECTIVE TO
24 CONSIDER?

1 A. Yes. In evaluating the arguments of AT&T, Sprint, MCI, ACSI, ICI, etc. it is
2 extremely important to keep in perspective their motivations. There are
3 adequate examples in the testimony in this proceeding as well as prior to this
4 proceeding (for example, the AT&T and MCI arbitration cases) that clearly
5 point to the real reason the parties are objecting to BellSouth's Statement —
6 they want to continue to enjoy the long distance market in Florida without
7 BellSouth as a participant, for as long as possible. They aren't looking to
8 provide the consumers in Florida with additional local service competition any
9 time soon. But they are fighting very hard to keep additional long distance
10 options from them!

11

12 Q. DOES THIS COMPLETE YOUR TESTIMONY?

13

14 A. Yes.

15

16

17

1 Q (By Ms. White) Do you have any exhibits
2 attached to your rebuttal testimony?

3 A Did not.

4 Q Have you prepared a summary of your testimony?

5 A I have.

6 Q Would you please give that?

7 A Thank you. Good afternoon, Commissioners.

8 I would like to just take a few moments
9 discussing what BellSouth believes checklist compliance
10 really means, how we believe we have met it
11 quantitatively, and then mention very briefly one of the
12 changes we've made to the statement due to the
13 8th Circuit.

14 What these charts behind me try to indicate,
15 and the handouts you have, since probably no one can
16 read it from that distance, is relatively simply what we
17 believe is required to meet the 14 points of the
18 competitive checklist.

19 Basically, in a statement, or for that matter
20 in an agreement or in agreements, are all 14 points
21 covered? Very simply, we believe that our statement
22 covers all 14 points very clearly, very distinctly, as
23 well as other agreements, both negotiated and
24 arbitrated. So we believe we have done that.

25 Secondly, to each and every one of those

1 elements, to the extent it is appropriate, have a
2 cost-based rate, in other words a rate that meets the
3 standards of the Act. And again we believe that is the
4 case in each and every case.

5 In the case of the statement, the rates
6 derived predominantly from the Commission's arbitration
7 decisions. Of course in some of the negotiated
8 agreements, those rates were negotiated, and that, too,
9 is in accordance with the requirements of the Act.

10 Thirdly, can indeed BellSouth provide these
11 services to the CLECs? Again, from a practical
12 standpoint, if ordered, can BellSouth provide the
13 services? And we believe, and as I will indicate, we
14 have done so and we can do so.

15 Finally, will approval of a statement, or
16 BellSouth checklist compliance, promote competition in
17 the State of Florida? Again, we believe it will. It
18 will cause other carriers to come in and compete on
19 their behalf. It will allow us to compete in the long
20 distance business, and it will incent them to compete in
21 the local business.

22 Other parties would have you use several other
23 criteria to make this assessment. Essentially, we do
24 not believe those assessments are required. For
25 example, do further cost studies have to be completed?

1 We do not believe so. The rates comply. Do we need to
2 revisit issues this commission has already decided? We
3 do not believe that's good use of anyone's times, the
4 Commission's, ourselves or the other parties'.

5 And there are several other reasons given by
6 parties that would indicate further delay. We do not
7 believe they are appropriate. In summary, we do believe
8 we comply.

9 This other chart which you have as your
10 handout is a simple indication of some of the proofs
11 that we have that we have indeed met the 14 points. One
12 of the items that I think is important is that many of
13 the 14 points of the checklist are not new items. These
14 are items we have been doing for years with various
15 carriers, and that is significant. So the question
16 about our ability to provide many of these services,
17 indeed we already have a proven track record, and some
18 of those we'll indicate here.

19 I won't go through this in detail, but I will
20 give you some indication of BellSouth's experience to
21 date. Interconnection and reciprocal compensation,
22 basically, as indicated, we have in excess of 22,000
23 trunks in place around our region, 7,000, almost 8,000,
24 in Florida. But these trunks are also very, very
25 similar to the trunks that are provided to long distance

1 carriers for switched access purposes. So the processes
2 for providing these trunks is not new to us. We've been
3 doing that since at least divestiture, and in some cases
4 prior to divestiture. Again, not a new process for us.

5 Unbundled network elements comprises lots of
6 different things. Collocation, for example, we have
7 been doing collocation, both physically and virtually,
8 for several years. We initially did physical. That was
9 overturned in the courts, and then we did virtual
10 collocation and indeed we have additional collocations
11 in effect and in progress right now. But again, it is
12 not a new process or a new procedure for BellSouth.

13 Poles, ducts and conduits, the third item, we
14 have been providing pole, ducts and conduit to cable
15 companies and other carriers for years. We're employing
16 exactly the same process and procedures that we have
17 with them, with the CLECs. Again, not a new process.

18 Unbundled loops is a new element for us. It
19 is similar to special access, so it is not a brand new
20 process for us, but it is new definitionally. And as
21 indicated here, we have close to 4,000 in place, about
22 1400 in the State of Florida.

23 Unbundled transport, which is checklist item
24 No. 5, is almost identical to switched transport, both
25 dedicated and common, that we have provided to

1 interexchange carriers for years, and again, we have
2 indeed provided that to carriers, and again, we have a
3 great deal of experience.

4 Unbundled switching, very minimal amount in
5 place, because that's not an item that's been ordered a
6 great deal. But again, it is very, very similar in
7 concept to the switching, switched access, local
8 switching elements. Again, in concept, we do have
9 experience.

10 Again, I won't go through all of these. 911
11 we've been doing, operator services we've been doing,
12 directory assistance. White page listings is not new.
13 We've been doing that on behalf of independent telephone
14 companies for years.

15 Access to numbers, we have 500 NXX codes
16 already opened, and we've been doing this with
17 independent telephone companies for years as well. So
18 again, it is not a new concept.

19 Signaling is also provided to switched access
20 service providers.

21 Number portability is a new item for us, but
22 the main form of interim number portability -- interim
23 number portability is remote call forwarding, which is
24 in fact a retail service that we have been providing for
25 years.

1 Dialing parity, essentially, comes with the
2 switch, and there is nothing new or additional we have
3 to do.

4 Resale of our retail services indeed was a new
5 item, but that we have thousands in place here in
6 Florida and many other states, and have a proven record
7 that we can indeed provide that.

8 In sum, we believe in combination, our
9 experience, plus what we've dealt with in agreements,
10 combined with the statement of generally available terms
11 and conditions, indeed makes us eligible as checklist
12 compliant, and that we can go forward with the FCC.

13 I would like to make one comment about a
14 change we made to the statement due to the 8th Circuit
15 court decision, and it was discussed earlier today about
16 the question of recombination of unbundled elements and
17 what we mean by that and what we believe the 8th Circuit
18 meant by that.

19 We believe it's threefold --

20 MS. KAUFMAN: Excuse me, Chairman Johnson. I
21 need to pose an objection here. I don't believe that
22 Mr. Scheye has discussed the 8th Circuit opinion in his
23 testimony, but rather Mr. Varner did, and I think that
24 he is straying outside his prefiled testimony quite a
25 bit.

1 CHAIRMAN JOHNSON: Ms. White?

2 MS. WHITE: Yes. This was in response to some
3 questions that were asked of Mr. Varner that I
4 believe -- at least one of which I believe was referred
5 to Mr. Scheye. We were trying to handle it by taking it
6 up in the summary. If the Commission would rather wait
7 for it to be asked, that's fine too. I believe it was a
8 question from the commissioners, I thought, but --

9 CHAIRMAN JOHNSON: And I don't recall who
10 asked the question. If the Commission would like for
11 him to answer it now, I don't have a problem with that,
12 but if not, it is outside of the scope. (Pause)

13 Then we'll -- why don't you keep your
14 statements then to what was in your direct or rebuttal.

15 WITNESS SCHEYE: I just wanted to mention that
16 we did revise the statement. I did want to clarify
17 that. I won't go into that in detail, and make a final
18 point that the statement, once it is approved, will be
19 available to any and all carriers, including those
20 carriers that do indeed have negotiated agreements with
21 us, if they wish to take services from the statement.
22 And that concludes my summary. Thank you.

23 Q (By Ms. White) Mr. Scheye, would you also
24 describe the exhibit that was handed out before you
25 began your summary called Florida Cross Reference?

1 A Yes. The statement of generally available
2 terms and conditions is outlined with each of the 14
3 points and where they're dealt with. In addition, we've
4 done a simple cross reference to the two most
5 significant arbitrated agreements in the State of
6 Florida, the MCI agreement and the AT&T agreement. And
7 we have simply cross referenced those two agreements to
8 each of the checklist items to indicate as well that
9 they are also checklist compliant, like the statement
10 is.

11 MS. WHITE: Thank you.

12 Chairman Johnson, I would like to have the two
13 handouts that were given during Mr. Scheye's summary
14 identified for the record as one composite exhibit.

15 CHAIRMAN JOHNSON: Okay, we're on Exhibit 20,
16 and we'll give him a short title of Scheye's Summary
17 Information on the Checklist and Florida Cross
18 Reference.

19 COMMISSIONER GARCIA: You're doing them both
20 together, Madam Chairman?

21 CHAIRMAN JOHNSON: Yes.

22 (Exhibit No. 20 marked for identification.)

23 MS. WHITE: Thank you. Mr. Scheye is
24 available for cross-examination.

25 MS. BARONE: Madam Chairman, if Staff -- if

1 Staff would have permission to identify their exhibits
2 at this point?

3 CHAIRMAN JOHNSON: Uh-huh.

4 MS. BARONE: Yes. You have before you, and
5 staff is passing out one more, first you have RCS-8
6 which consists of the deposition transcript, late-filed
7 deposition exhibit numbers, and I would like to note
8 that with respect to confidential late-filed deposition
9 Exhibit No. 17, since BellSouth has waived that, we are
10 making that a separate -- or waived confidentiality,
11 that will not be included in this exhibit. That will be
12 included in the next exhibit I will identify. But for
13 RCS-8, we ask that that be marked as Exhibit 21, I
14 believe is the next number.

15 CHAIRMAN JOHNSON: It will be marked as 21 and
16 short title RCS-8?

17 (Exhibit No. 21 marked for identification.)

18 MS. BARONE: Yes, ma'am. The next, as I
19 mentioned before, is RCS-9. That's Late-filed
20 Deposition Exhibit No. 17. We ask that that be marked
21 as No. 22.

22 CHAIRMAN JOHNSON: We'll mark that as 22 and
23 short title it RCS-9.

24 MS. BARONE: Thank you.

25 (Exhibit No. 22 marked for identification.)

1 MR. MELSON: Chairman Johnson, just for
2 clarification, was Exhibit 20 just this two-page chart,
3 or did it also include this Florida Cross Reference?

4 CHAIRMAN JOHNSON: I included both, the cross
5 reference and the -- it was a composite exhibit
6 including both documents.

7 MS. WHITE: Right, as one composite exhibit.
8 I just thought it might be easier that way.

9 CHAIRMAN JOHNSON: Is that it, Staff?
10 Ms. Barone, is that it?

11 MS. BARONE: Yes, ma'am.

12 CHAIRMAN JOHNSON: Then, Ms. Kaufman.

13 CROSS EXAMINATION

14 BY MS. KAUFMAN:

15 Q Mr. Scheye, I'm Vicki Kaufman and I represent
16 the Florida Competitive Carriers Association.

17 A Good afternoon.

18 Q Could you turn to your rebuttal, please, Page
19 51?

20 A Yes.

21 COMMISSIONER GARCIA: Sorry, Ms. Kaufman,
22 forgive me. What page?

23 MS. KAUFMAN: Fifty-one of his rebuttal
24 testimony.

25 COMMISSIONER GARCIA: Thank you.

1 Q (By Ms. Kaufman) Beginning at about Line 9,
2 Mr. Scheye, you are critical of Mr. Gillan for
3 advocating what's been known as a platform approach; is
4 that correct?

5 A Yes.

6 Q Do you have available to you, sir, the
7 Ameritec order?

8 A Yes.

9 Q If you would get that out, I think we could
10 speed this along.

11 A Okay. I have it.

12 Q Could you turn to paragraph 160 of that order,
13 please?

14 A Sure. I have it.

15 Q Would you read for the Commission the first
16 two sentences of paragraph 160?

17 A Sure. 160. "As part of its duty to provide
18 unbundled network elements to competing carriers,
19 Ameritec must be able to provide two competing carriers
20 individual network elements." The next sentence also?

21 Q Yes, please?

22 A "Ameritec also must be able to provide
23 combinations of network elements, including the
24 combination of all network elements which some parties
25 refer to as the UNE platform, or the platform."

1 Q Thank you. Mr. Scheye, you testified in
2 Alabama, didn't you, in the Bell 271 proceeding there?

3 A Yes.

4 Q And in that proceeding, am I correct that you
5 said that a new entrant could buy a loop and a switch
6 from BellSouth and combine them?

7 A I said that the carrier, the CLEC, could
8 combine them, yes, and I say that here as well.

9 Q And if a new entrant buys a loop and a switch
10 and combines them, didn't you also say that they would
11 be an access provider?

12 A I said they could be, I believe -- and again,
13 I'm trying to remember what I said in Alabama. I think
14 the question that was asked of me was could that CLEC
15 then charge access charges. And I think my answer was
16 they can charge whatever they want to whomever they want
17 at that point.

18 Q They would be the access provider, would they
19 not?

20 A They could be, certainly. That could be one
21 possible use.

22 Q Let's just assume that a competitor does buy a
23 loop and a switch and combines them and becomes the
24 access provider.

25 A Okay.

1 Q Can you describe for the Commission what sort
2 of information BellSouth would provide to the new
3 entrant so that he would be able to bill access charges
4 to the appropriate interexchange carrier?

5 A What we would provide to the new entrant would
6 be the rates or the rate structure for the components or
7 the elements that that new entrant purchased from
8 BellSouth.

9 For example, again, in your example, the new
10 entrant purchased a loop, and there would be a charge
11 for the loop. The new entrant, I believe in your
12 example, also purchased unbundled switching and combined
13 that with at loop somehow, and BellSouth would provide
14 to them the components of the unbundled switching rate,
15 which is a port, a per month charge and a usage element.

16 Q Would BellSouth provide to them the billing
17 details so that they would be able to bill terminating
18 and originating access to an interexchange carrier?

19 A You're asking me to make an assumption that I
20 don't know that I can make. We will bill to the CLEC
21 the proper components for the unbundled network element
22 that they purchased from us. What level of detail they
23 would require to bill access to whomever they're billing
24 it to would be up to them. That could well be enough
25 detail. They might have a structure whereby there's

1 another piece of element or information that they
2 require in order to bill access that may not be on that
3 recording. Depends on their structure, in other words,
4 not ours.

5 Q Let me repeat my question. Is BellSouth going
6 to provide to the new entrant who is the access provider
7 bill detail so that he'll be able to tell the number of
8 originating and terminating access minutes so he can
9 generate a bill to the IXC?

10 A Yes, he'll get a minutes-of-use bill. And
11 again, I can't assume whether that's enough or not
12 enough for them to bill access. We will bill them for
13 the structure of unbundled local switching, which would
14 require, potentially, originating and terminating usage,
15 correct.

16 Q Let me give you a hypothetical and see if we
17 can understand what information you would provide.
18 Let's say that ABC ALEC buys a loop and a switch, he
19 combines them, and he's the access provider, okay?

20 A Okay, sure.

21 Q I choose ABC ALEC to be my local provider of
22 local service.

23 A Okay, sure.

24 Q Now my aunt, who lives in New York, calls me.
25 She uses WorldCom to make that long distance call.

1 A Okay.

2 Q So ABC would have to bill WorldCom for access,
3 correct?

4 A It could, yes. It's up to ABC. But let's
5 assume they want to.

6 Q Let's assume they want to bill them for
7 access.

8 A Absolutely.

9 Q What information is BellSouth -- what bill
10 detail is BellSouth going to give to ABC ALEC?

11 A In that case there would have been an
12 originating minute of use for unbundled switching, so we
13 would have billed to ABC. And again, let's assume it's
14 a five-minute call, five minutes of local usage.

15 In the State of Florida, the current structure
16 has a rate for the initial minute and the rate for
17 additional minute, so there would have been one initial
18 minute and four additional -- one initial minute and
19 four additional minutes based on the structure for
20 unbundled local switching in the State of Florida. And
21 that's what the bill would contain that was rendered to
22 the ABC Company.

23 Q Is BellSouth going to give ABC Company the
24 actual billing tapes with that call detail on it?

25 A The actual -- the actual billing tape? I'm

1 not sure I can answer that. The form of the -- the
2 format of the bill -- typically we will bill
3 electronically as opposed to on a piece of paper. And
4 if that's what you mean by the billing tape, then the
5 answer is yes. If you're looking for additional
6 detailed information, I'm not sure that would be on
7 there.

8 Q You're not sure -- I'm sorry?

9 A That that would be on -- again, you said "the
10 billing tape." We can bill -- if that means to bill it
11 electronically, yes. If you're looking for additional
12 information over and above what would be normally
13 provided, the answer is probably no.

14 Q In the hypothetical we've just been
15 discussing, is BellSouth going to cease billing
16 originating and terminating access?

17 A In that particular case?

18 Q Yes.

19 A Cease billing it to WorldCom in that case?

20 Q Exactly.

21 A Had we been billing it before? I'm just
22 trying to get the scenario.

23 Q Yes. Are they going to cease billing it to
24 WorldCom?

25 A Yes, correct. We would only be billing in

1 that case a loop to ABC, a port to ABC and they have
2 combined them somehow. And then there's a usage element
3 that we would charge to ABC, which is an initial minute
4 and each additional minute.

5 MS. KAUFMAN: That's all I have. Thank you.

6 MS. WILSON: No questions.

7 CROSS EXAMINATION

8 BY MR. WILLINGHAM:

9 Q Mr. Scheye, my name is Bill Willingham. I'm
10 here on behalf of TCG.

11 A How are you, sir?

12 Q Fine, thank you. Does BellSouth record its
13 meet-point billing data in its end office or in its
14 tandem?

15 A Both.

16 Q Does BellSouth presently provide meet-point
17 billing to any facility-based ALECs in Florida?

18 A I'm sorry, has it actually been implemented?
19 It's provided for in almost every, if not all agreements
20 that we have with facility-based carriers in the State
21 of Florida. Whether any of them have implemented that
22 or not, particular provision, I don't know.

23 Q So you cannot say right now that you actually
24 provide the meet-point billing to any facility-based
25 ALEC in Florida?

1 A Again, it may not have been implemented. We
2 do provide the comparable data to independent telephone
3 companies. So it's a process that's in place.

4 Q Can you give me a yes or no answer to my
5 question?

6 A I don't know. As I said, I don't know if it's
7 been implemented.

8 Q Thank you. Does BellSouth presently have the
9 capability of providing meet-point billing data to any
10 facility-based ALEC in Florida?

11 A Yes.

12 Q Okay. On Page 142 -- do you have a copy of
13 the deposition transcript?

14 A No, sir, I don't. (Pause) I do now.

15 Q If you could turn please to Page 142, Line
16 19.

17 A Yes.

18 Q I believe there you stated that there may be
19 some unique problems with TCG that caused difficulty in
20 passing the meet-point billing information; is that
21 correct?

22 A Yes. Yes, sir.

23 Q Are you aware of any specific circumstances
24 that are unique to TCG that make it impossible for
25 BellSouth to pass meet-point billing data to TCG?

1 A There are some unique provisions in the TCG
2 agreement. I didn't say it was impossible though.

3 Q Do these unique circumstances in the
4 agreement -- scratch that question.

5 Right now, is BellSouth actually providing
6 this data to TCG?

7 A As I said, sir, earlier to your question, I
8 don't know that we've actually implemented those
9 provisions with any carrier in the State of Florida.

10 MR. WILLINGHAM: I have no further questions.

11 CHAIRMAN JOHNSON: Mr. Melson?

12 CROSS EXAMINATION

13 BY MR. MELSON:

14 Q Good afternoon, Mr. Scheye. Rick Melson
15 representing MCI.

16 A How are you, sir?

17 Q Pretty good. And yourself?

18 A Just fine.

19 Q I would like to follow up first on a question
20 Ms. Kaufman asked you. I believe she gave the example
21 of an ALEC customer placing a long distance call using
22 WorldCom to a relative in New York, a situation where
23 the ALEC had purchased an unbundled loop and an
24 unbundled port and combined those.

25 A Yes.

1 Q Let me ask first, if a BellSouth customer used
2 BellSouth's local service, placed a call using WorldCom
3 to a relative in New York, what billing would BellSouth
4 do of that transaction?

5 A BellSouth would bill WorldCom.

6 Q You would bill them what?

7 A Access charges.

8 Q And how do you get the information needed to
9 bill them access charges?

10 A It's recorded.

11 Q It's recorded as part of the switch function?

12 A Yes.

13 Q Now assume that that unbundled switching
14 element has been purchased by the ALEC. I wasn't clear
15 whether you intend to provide the ALEC that information
16 that it would need to bill the originating access to
17 WorldCom.

18 A I believe -- what I tried to explain was we
19 would bill to, in that case, the ABC Company the minutes
20 of use based on the structure for unbundled local
21 switching, which in the State of Florida is an initial
22 minute and each additional minute. Whether that
23 information was adequate for ABC to bill WorldCom would
24 be up to the structure between ABC and WorldCom.
25 Typically it would be, but if they had unique structure

1 whereby they needed additional information, it may not
2 be.

3 Q Would the detail provided to the ALEC indicate
4 how many originating access minutes went to WorldCom,
5 how many originating access minutes went to MCI, how
6 many originating minutes went to AT&T, how many minutes
7 were local in nature, or would it simply be an aggregate
8 number?

9 A It would be an aggregate number typically, if
10 that's all they purchased.

11 Q So if I were to ask you then, would BellSouth
12 provide the billing detail necessary to identify the
13 long distance carriers and the number of minutes of
14 originating access that went to each, the answer is, no,
15 you would not be providing that level of detail to the
16 ALEC?

17 A I didn't say that, sir. I said we would be
18 providing the level of detail I just explained. Whether
19 that's adequate or not for the ABC Company is up to them
20 and the other carriers. Again, if they required some
21 additional detail that we may have, they could certainly
22 come and ask us for it. I can't guess what they may
23 need, though. I can only bill my rate structure.

24 Q Let's assume, Mr. Scheye, that they would need
25 the same information to bill the long distance carrier

1 that BellSouth would need to bill the long distance
2 carrier.

3 A Then they would have to come and discuss that,
4 negotiate that with BellSouth in a similar manner as
5 interexchange carriers do today for information that we
6 provide them for their own rating of comparable type
7 calls.

8 (Transcript continues in sequence in
9 Volume 5.)

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