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June 14, 1999

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RECORDS AND  
REPORTING

Mrs. Blanca S. Bayó  
Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Docket No. 990149-TP

Dear Ms. Bayó:

Enclosed are an original and 15 copies of the Prehearing Statement of BellSouth Telecommunications, Inc. Please file this document in the captioned matter.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me.

Sincerely,

*J. Phillip Carver*  
J. Phillip Carver

AFA \_\_\_\_\_  
APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMU King  
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SEC 1  
WAW \_\_\_\_\_  
OTH \_\_\_\_\_

Enclosures

cc: All parties of record  
M. M. Criser, III  
N. B. White  
William J. Ellenberg II (w/o enclosures)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition by MediaOne Florida	)	
Telecommunications, Inc. for	)	
Arbitration of an interconnection	)	Docket No. 990149-TP
Agreement with BellSouth	)	
Telecommunications, Inc. pursuant	)	
to Section 252(b) of the	)	Filed: June 14, 1999
Telecommunications Act of 1996	)	
_____	)	

**PREHEARING STATEMENT OF BELL SOUTH TELECOMMUNICATIONS, INC.**

BellSouth Telecommunications, Inc. ("BellSouth"), in compliance with the Order Establishing Procedure (Order No. PSC-99-0716-PCO-TP), issued April 15, 1999, hereby submits its Prehearing Statement for the above-styled matter.

**A. Witnesses**

BellSouth proposes to call the following witnesses to offer testimony on the issues in this docket:

	<b><u>Witness</u></b>	<b><u>Issue(s)</u></b>
1.	Alphonso J. Varner (Direct and Rebuttal)	2, 3, 4, 7, 8, 9, 11, 13
2.	D. Daonne Caldwell (Direct)	1
3.	Jerry Hendrix (Direct and Rebuttal)	7
4.	Dave Coon (Direct and Rebuttal)	1, 12
5.	W. Keith Milner (Direct and Rebuttal)	1, 2, 5, 6

BellSouth reserves the right to call additional witnesses, witnesses to respond to Commission inquiries not addressed in direct or rebuttal testimony and witnesses to address issues not presently designated that may be designated by the Prehearing Officer at the prehearing conference to be held on June 22, 1999. BellSouth has listed the witnesses for whom BellSouth believes testimony will be filed, but reserves the right to supplement that list if necessary.

**B. Exhibits**

Alphonso J. Varner	AJV-1	CNAM Agreement – Annex 314
	AJV-2	CNAM Product Information
	AJV-3	Network Terminating Wire Price List
	AJV-4	Schedule for LNP Deployment
	Rebuttal AJV-1	BellSouth's Comment in FCC Docket 99-68
D. Daonne Caldwell	DDC-1	NTW Cost Study
W. Keith Milner	WKM-1	NTW: Schematic and Photographs

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

### **C. Statement of Basic Position**

Each of the individually numbered issues in this docket represent a specific dispute between BellSouth and MediaOne as to what should be included in the Interconnection Agreement between the parties. Some of these issues involve matters that are not properly within the scope of the Telecommunications Act and the jurisdiction of this Commission and should, therefore, not be part of an Arbitrated Agreement. As to all other issues, BellSouth's positions are the more consistent with the Act, the pertinent rulings of the FCC and the rules of this Commission. Therefore, each of BellSouth's positions should be sustained by this Commission.

### **D. BellSouth's Position on the Issues**

#### **Issue 1: Should the audit provisions in the parties' Interconnection Agreement include auditing of services other than billing?**

Position: No. MediaOne already has a means to audit BellSouth's performance and delivery of service through performance measures, reporting, and access to raw data that is used to develop performance measurements. Through the receipt of raw data provided by BellSouth, MediaOne also has the ability to audit BellSouth's performance and to work with BellSouth to correct or address any performance issues without having to exercise dispute resolution procedures.

#### **Issue 2: Should calls originated from or terminated to Internet Service Providers ("ISPs") be defined as "local traffic" for purposes of the MediaOne/BellSouth Interconnection Agreement?**

Position: No. End users gain access to the Internet through an ISP. The ISP location, generally referred to as an ISP point of presence (“POP”), represents the edge of the Internet and usually consists of a bank of modems. ISPs can use the public switched network to collect their subscribers’ calls to the Internet. This ISP traffic represents a continuous transmission from the end user to a distant Internet site. Also, the FCC has once again confirmed that ISP traffic is subject to interstate jurisdiction rather than local traffic. In its Declaratory Ruling, the FCC declared that Internet traffic is jurisdictionally mixed and appears to be largely interstate in nature. The FCC noted in its decision that it traditionally has determined the jurisdiction of calls by the end-to-end nature of the call. (See Declaratory Ruling in CC Docket Nos. 96-98 and 99-68, February 26, 1999). Once it is understood that Internet traffic “terminates” only at distant websites, which are nearly always in a different exchange than the end-user, it becomes evident that these calls are not local.

**Issue 3: Should calls that originated from or terminate to ISPs be included in the reciprocal compensation arrangements of the Interconnection Agreement?**

Position: No. As I discussed in response to Issue 2, calls utilizing ISPs to access information do not originate from or terminate to ISPs. The ISPs are intermediaries, which provide a portion of such calls. As such, it is not appropriate to include these calls in the reciprocal compensation arrangements of the Interconnection Agreement

**Issue 4: What is the appropriate price for Calling Name (“CNAM”) database queries?**

Position: The appropriate price for CNAM is one cent per query. This is the rate charged to any company that shows their end user names in BellSouth's calling name database. Because the CNAM agreement is not governed by the requirements of Section 251 or Section 252 of the Act, the rates BellSouth charges for its CNAM database service is not an issue appropriate for arbitration. In addition, MediaOne already has an agreement with BellSouth for this service and is inappropriately seeking to be relieved of its contractual obligations.

**Issue 5: What is the appropriate manner for MediaOne to have access to network terminating wire ("NTW") in multiple dwelling units ("MDU")?**

Position: BellSouth offers a reasonable method of access to the NTW in BellSouth's garden terminal. Using BellSouth's proposed method, the ALEC installs its own terminal in proximity to the BellSouth garden terminal. BellSouth installs an access terminal that contains a cross-connect panel on which BellSouth will extend the ALEC requested NTW pairs from the garden terminal. The ALEC will then extend a tie cable from their terminal and connect to the pairs they have requested. The ALEC would then install its own Network Interface Device ("NID") within the end-user apartment and connect the ALEC requested pair(s) to this NID. At MediaOne's request, BellSouth will pre-wire NTW pairs, which would obviate the need to have a BellSouth technician dispatched each time MediaOne wants access to a given end user customer.

**Issue 6: What is the appropriate demarcation point for BellSouth's network facilities serving multiple dwelling units?**

Position: The demarcation point should be established consistent with this Commission's rule 25-4.0345-1B.

**Issue 7: What, if anything, should BellSouth be permitted to charge MediaOne for access to NTW?**

Position: BellSouth should be permitted to charge MediaOne for access to Network Terminating Line at the rates set forth in Exhibit AJV-3 to the testimony of Alphonso J. Varner.

**Issue 8: How many call paths should BellSouth be required to provide to MediaOne, at no cost to MediaOne, for customers who are porting telephone numbers through interim number portability?**

Position: In accordance with the current BellSouth/MediaOne Interconnection Agreement, BellSouth charges MediaOne \$1.25 per line per month per residential customer for one path and \$1.50 per line per month per business customer for one path. Additional paths are provided at a rate of \$.50 per path per month. However, because the demand for such service from MediaOne is relatively small, BellSouth has put forth a proposal to no longer charge MediaOne for interim number portability for up to six call paths for business lines and three call paths for residence lines upon implementation of the new interconnection agreement.

**Issue 9: What rate, if any, should BellSouth be allowed to charge for additional call paths provided to MediaOne for customers who are porting telephone numbers through interim number portability?**

Position: See BellSouth's Response to Issue 8.

**Issue 10: In implementing Local Number Portability (“LNP”), should BellSouth and/or MediaOne be required to notify the Number Portability Administration Center (“NPAC”) of the date upon which BellSouth will cut-over MediaOne customer numbers at the MediaOne requested time concurrent with BellSouth’s return of a Firm Order Commitment (“FOC”) to MediaOne?**

Position: When a BellSouth end-user agrees to change service to MediaOne, MediaOne notifies BellSouth of the change using a Local Service Request (“LSR”). BellSouth then provides a Firm Order Confirmation (“FOC”) to MediaOne at which time both BellSouth and MediaOne will create and process service orders. At this time, MediaOne sends a create message to the NPAC who in turn notifies BellSouth of the proposed porting activity. BellSouth will then send a concurrence message to NPAC and provisioning subsequently proceeds under the control of MediaOne until completion.

**Issue 11: Should BellSouth be required to provide a point of contact to intervene in the execution of LNP orders when changes or supplements are necessary for customer-related reasons, and, if so, what charge, if any, should apply?**

Position: A point of contact is not necessary since MediaOne is in control of when end-user calls are routed to MediaOne’s switch. At the present time, BellSouth has not conducted a cost study to determine the price for this service. However, the provision of such a service is not a requirement under Section 251 and would not be subject to the FCC’s pricing rules. Any price for this “point of contact” service should be negotiated under a professional service agreement that would be outside the scope of this arbitration proceeding.



**Issue 12: What, if any, performance measurements are appropriate with respect to the provision of stand-alone LNP for MediaOne?**

Position: The appropriate measurements for inclusion in the MediaOne agreement should be BellSouth's Service Quality Measurements. There is adequate product level detail in the existing BellSouth SQM to insure BellSouth is providing service in compliance with the 1996 Telecom Act (Act).

**Issue 13: Should the Florida Public Service Commission arbitrate performance incentive payments and/or liquidated damages for purposes of the MediaOne/BellSouth Interconnection Agreement? If so, what performance incentive payments and/or liquidated damage amounts are appropriate, and in what circumstances?**

Position: No. As used in the context of MediaOne's Arbitration Petition, performance incentive payments are nothing more than another term for financial penalties for non-performance. Under Florida law, provisions of a contract that constitute penalties (as opposed to liquidated damages) are not legally valid and are unenforceable. At the same time, provisions that do appropriately provide for liquidated damages require a reasonable assessment of the damages that will likely occur in the event of a breach. The Florida Public Service Commission, however, lacks the statutory authority to award damages, liquidated or otherwise. Also, this Commission has previously determined that the issue of "incentive payments" and/or liquidated damages is not subject to arbitration under Section 251 of the Act.

#### **E. Stipulations**

None.

**F. Pending Motions**

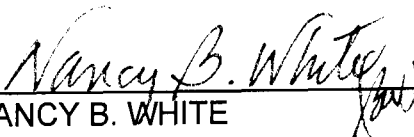
None.


**G. Other Requirements**

None.

Respectfully submitted this 14<sup>th</sup> day of June, 1999.

BELLSOUTH TELECOMMUNICATIONS, INC.

  
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**CERTIFICATE OF SERVICE**  
**Docket No. 990149-TP**

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via

U.S. Mail this 14th day of June, 1999 to the following:

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