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November 12, 1999

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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. 991619-TP (KMC Complaint)

Dear Ms. Bayó:

Enclosed is an original and fifteen copies of BellSouth Telecommunications, Inc.'s Answer to Complaint, which we ask that you file in the captioned docket.

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

Sincerely,

E. Earl Edenfield Jr.
E. Earl Edenfield Jr. (PW)

cc: All Parties of Record
Marshall M. Criser III
R. Douglas Lackey
Nancy B. White

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CERTIFICATE OF SERVICE
Docket No. 991619-TP

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

U.S. Mail this 12th day of November, 1999 to the following:

Donna Clemons
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E. Earl Edenfield Jr.
E. Earl Edenfield Jr. (20)

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Complaint of KMC Telecom Inc. and KMC Telecom II,)
Inc. against BellSouth Telecommunications, Inc. for)
Breach of Interconnection Agreement and Request for)
Expedited Relief)
_____)

Docket No. 991619-TP

Filed: November 12, 1999

**BELLSOUTH TELECOMMUNICATIONS, INC.'S
ANSWER TO COMPLAINT**

BellSouth Telecommunications, Inc. ("BellSouth") files its Answer to the Complaint of KMC Telecom Inc. and KMC Telecom II, Inc. (jointly "KMC"), and says:

BACKGROUND

On October 18, 1999 KMC filed a Complaint with the Florida Public Service Commission ("Commission") alleging that BellSouth breached the BellSouth/KMC Interconnection Agreement dated February 24, 1997. Once the rhetoric is dispelled, KMC's complaints appear to fall into three categories; (1) a series of service outages in the Daytona Beach area stemming from problems with cut-over coordination and transition to local number portability ("LNP"); (2) complaints surrounding the processing of KMC orders, and; (3) redundant trunking issues in the Melbourne area. BellSouth discusses each area of contention below.

I. Service Outages

A. Cut-over coordination

Either by request from KMC, or the fact that KMC purchases Service Level 2 ("SL2") loops, conversion orders for KMC always require coordinated cut-overs. During the April - May 1999 timeframe, there were a few instances where BellSouth's Network Central Office

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personnel, prior to being called from BellSouth's Unbundled Network Element Center ("UNE Center") to make the cuts, worked KMC's orders, which resulted in service outages for several KMC customers. This problem was addressed with the Network Central Office personnel in Daytona Beach by UNE Center and Central Office Staff personnel. The Network Central Office personnel were instructed that all UNE coordinated orders were to be treated as "hold for call" and should not be worked until the Network Central Office personnel received a "go-ahead" from the UNE Center personnel. These service outage issues were resolved by the end of May 1999.

There were also some isolated instances in the April – May 1999 timeframe where the Local Carrier Service Center ("LCSC") omitted the Frame Due Time from KMC's Disconnect orders, which caused these orders to be released early in the Mechanized Automated Recent Change System ("MARCH"). There was also at least one Disconnect order issued without the associated loop order being related with it, causing the Disconnect order to be worked as a stand-alone order before the conversion. In an effort to prevent a recurrence of this problem, BellSouth provided additional training to the LCSC personnel. The LCSC and the UNE Center have formed Quality Control Groups, which check these types of orders for similar errors. BellSouth is not aware of any recurrence of this problem over the last several months.

What KMC conveniently fails to mention in the Complaint is that all of these problems were discussed with KMC's personnel responsible for Daytona Beach in a series of conference calls and meetings beginning on April 29, 1999. After the initial calls, KMC advised BellSouth that there was significant improvement with BellSouth's handling of KMC's conversion orders. More recent conversations between KMC and BellSouth reveal this Complaint to be nothing more than an attempt by KMC's local personnel to blame BellSouth for KMC's inability to

compete in the Daytona Beach area, and justify this inability to compete to KMC's upper management.

B. Interim Number Portability ("INP") Problems

Prior to the transition from INP to LNP in the Daytona Beach area, all KMC conversion orders were INP orders, which require a Remote Call Forwarding ("RCF") order to be worked along with the conversion. During the April – May 1999 timeframe, there were a few instances where the RCF order was partially rejected in MARCH and ultimately cleared by BellSouth's Recent Change Memory Administration Group ("RCMAG") personnel. The LCSC experienced delays in clearing of these order rejections in a timely manner, resulting in service outages to a few KMC customers. This coordination issue was addressed with the RCMAG personnel in May 1999 and to BellSouth's knowledge has not recurred. With the completion of LNP implementation in the Daytona Beach area in September 1999, transition problems such as those alleged by KMC have been resolved.

II. Processing of KMC orders

In its Complaint, KMC also alleges discrimination by BellSouth in the processing of complex orders. The manual processes that BellSouth uses for complex resold services offered to alternative local exchange companies ("ALECs") are accomplished in substantially the same time and manner as the processes used for BellSouth's complex retail services. KMC's lack of familiarity with the ordering systems reveals a lack of understanding on KMC's part that the same manual processes are in place for both ALEC and BellSouth retail orders. In addition, the intervals in the BellSouth Products & Services Interval Guide are the same intervals used for BellSouth retail customers, except those for UNEs, which BellSouth does not use in its retail operations. Thus the ordering processes are competitively neutral and non-discriminatory.

The vast majority of KMC's criticism stems from KMC's refusal to take the time and effort to submit error-free Local Service Requests ("LSRs"). It is the responsibility of KMC to submit complete and accurate LSRs. Without such, BellSouth is unable to process the LSR to provision the service requested. As most LSRs for complex services are manually submitted, a BellSouth representative in the LCSC makes every effort to thoroughly review the request and identify missing, incomplete and/or inaccurate information. As such rejects and clarifications are identified, the LSR is promptly returned to KMC for correction and resubmission.

The most compelling evidence of KMC's inaccuracy in submitting LSRs is found in BellSouth's Service Quality Measurements. In both Florida and the other states in BellSouth's region, KMC's percent of rejected non-mechanized LSRs is significantly and consistently higher than the aggregate of all other ALECs. This is particularly true in the categories of business, unbundled network elements and unbundled loops with number portability, which generally represent the majority of complex services.

III. Redundant trunking issue in Melbourne

In early 1999, BellSouth's internal network plan established goals for redundant trunking in the Melbourne area. This internal network plan had nothing to do with KMC, or any ALEC, but was simply part of BellSouth's overall plan to improve the reliability of the BellSouth network in the Melbourne area. Unfortunately, BellSouth's plans changed. Once KMC learned that BellSouth no longer planned to provide the redundant trunking, KMC demanded that BellSouth reconsider, claiming that BellSouth was obligated to provide redundant trunking under the provisions of the KMC/BellSouth Interconnection Agreement. After reviewing the

KMC/BellSouth Interconnection Agreement, BellSouth advised KMC that BellSouth had no such obligation.¹

After KMC claimed that it needed redundant trunking in order to obtain a particular customer, BellSouth advised KMC that redundant trunking could be obtained through special construction. BellSouth provided KMC with an estimate for the special construction, which KMC paid under protest. BellSouth then provided KMC with the redundant trunking it requested. To BellSouth's knowledge, KMC was able to obtain and retain the customer.

SPECIFIC RESPONSES

BellSouth responds to the individually numbered allegations in the Complaint as follows:

1. BellSouth admits that KMC is a Commission-certified alternative local exchange company ("ALEC") operating in Florida. BellSouth denies the remaining allegations in paragraph 1 of the Complaint, as BellSouth lacks information sufficient to form a belief as to the truth of those allegations.
2. The allegations in paragraph 2 of the Complaint require no response.
3. BellSouth admits that KMC is a Commission-certified ALEC operating in Florida. BellSouth denies the remaining allegations in paragraph 3 of the Complaint, as BellSouth lacks information sufficient to form a belief as to the truth of those allegations.
4. BellSouth admits the allegations in paragraph 4 of the Complaint.

¹ KMC relies on Section 4.1.2 of the KMC/BellSouth Interconnection Agreement, which provides, "BST shall initially interconnect to logically and diversely routed KWIC trunk circuits..." KMC apparently interprets the phrase "*interconnect to diversely routed trunks*" to mean that BellSouth must "*provide diversely routed trunks*." Such an interpretation is illogical and contrary to the plain language of the KMC/BellSouth Interconnection Agreement.

5. As to what the BellSouth/KMC Interconnection Agreement (“Agreement”) “contemplates”, BellSouth avers that the Agreement speaks for itself; thus, those allegations are denied. BellSouth admits the remaining allegations in paragraph 5 of the Complaint.

6. BellSouth denies that it breached the Agreement, acted in an unreasonable or discriminatory manner, or violated the Telecommunications Act of 1996 (“1996 Act”). Except for those instances discussed in the Background section above, BellSouth lacks knowledge sufficient to form a belief as to the truth of KMC’s allegations regarding service outages; thus those allegations are denied. BellSouth lacks knowledge sufficient to form a belief as to whether KMC customers switched back to BellSouth, as well as KMC’s allegations concerning negative publicity in the Daytona Beach community; thus those allegations are denied. BellSouth denies the remaining allegations in paragraph 6 of the Complaint.

7. Except for those instances discussed in the Background section above, BellSouth lacks knowledge sufficient to form a belief as to the truth of the allegations in paragraph 7 of the Complaint; thus those allegations are denied.

8. BellSouth lacks knowledge sufficient to form a belief as to the truth of the allegations in paragraph 8 of the Complaint; thus those allegations are denied.

9. BellSouth denies the allegations in paragraph 9 of the Complaint.

10. BellSouth denies that it breached the Agreement. BellSouth denies the remaining allegations in paragraph 10 of the Complaint.

11. BellSouth denies the allegations in paragraph 11 of the Complaint.

12. The two letters referenced by KMC as well as paragraph 33 of the Agreement speak for themselves. While BellSouth cannot speak to KMC’s motivation, it appears to

BellSouth that KMC did attempt to “**unsatisfactorily** resolve” this dispute, and in fact succeeded. BellSouth denies the remaining allegations in paragraph 12 of the Complaint.

13. BellSouth admits the allegations in paragraph 13 of the Complaint.

14. BellSouth denies the allegations in paragraph 14 of the Complaint.

15. The 1996 Act, including § 251(c)(2), speaks for itself. BellSouth denies the remaining allegations in paragraph 15 of the Complaint.

16. The Agreement, including § 20.15, speaks for itself. BellSouth denies the remaining allegations in paragraph 16 of the Complaint.

17. Except for those instances discussed in the Background section above, BellSouth denies the allegations in paragraph 17 of the Complaint, including subparts A-C.

18. BellSouth denies the allegations in paragraph 18 of the Complaint.

19. BellSouth denies the allegations in paragraph 19 of the Complaint.

20. As discussed above, BellSouth admits that KMC experienced some service problems, which were resolved. BellSouth denies the remaining allegations in paragraph 20 of the Complaint.

21. BellSouth denies the allegations in paragraph 21 of the Complaint.

22. The provisions of the 1996 Act and the Agreement speak for themselves. BellSouth denies the remaining allegations in paragraph 22 of the Complaint.

23. BellSouth admits that it provides the Service Interval Guide to ALECs. The referenced correspondence speaks for itself. BellSouth denies the remaining allegations in paragraph 23 of the Complaint.

24. The Service Interval Guide speaks for itself. BellSouth's parity obligations are set forth in the various rules and orders of the FCC. BellSouth denies the remaining allegations in paragraph 24 of the Complaint.

25. BellSouth admits that KMC orders are rejected and returned to KMC for clarification when those orders contain errors or omissions. BellSouth admits that KMC's continuous submission of incorrect or incomplete orders can result in an increased processing interval. BellSouth alleges affirmatively that if KMC would take the time to submit orders without errors, then the "processing problems" and "processing intervals" about which KMC complains would be either eliminated or substantially reduced. BellSouth denies the remaining allegations in paragraph 25 of the Complaint.

26. BellSouth admits that there were instances when KMC orders were put in pending facilities ("PF") status. BellSouth makes every effort to timely notify KMC, through either the BellSouth website or the LCSC, when an order has been placed in PF status. BellSouth denies the remaining allegations in paragraph 26 of the Complaint.

27. The Agreement speaks for itself. BellSouth is without knowledge as to whether KMC has "provided trunking on its side of the network through a synchronous optical network ("SONET") ring which is diverse and protected." BellSouth is also without knowledge as to whether "this architecture is critical to ensure that there is redundancy in the network in case of an outage." BellSouth denies the allegations about which BellSouth has no knowledge. BellSouth denies the remaining allegations in paragraph 27 of the Complaint.

28. BellSouth admits that it complied with KMC's request to construct certain plant in the Melbourne area as specified by KMC. BellSouth admits that KMC paid for that special construction. BellSouth denies the remaining allegations in paragraph 28 of the Complaint.

29. The Agreement speaks for itself. BellSouth denies the remaining allegations in paragraph 29 of the Complaint.

30. BellSouth denies the allegations in paragraph 30 of the Complaint.

31. BellSouth has no objection to an expedited proceeding to resolve this matter. Given the plethora of unsubstantiated allegations in the Complaint, however, BellSouth does request that any expedited schedule allow for a discovery period, including depositions. BellSouth denies the remaining allegations in paragraph 31 of the Complaint.

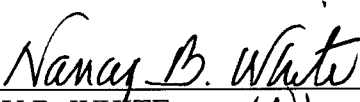
32. BellSouth denies that KMC is entitled to any relief in this proceeding. Moreover, portions of the relief requested by KMC are in the form of penalties and should be stricken from the Complaint. BellSouth denies the allegations, including all subparts, in the *ad damnum* clause (Section VI) of the Complaint.

33. Any allegation of the Complaint not specifically admitted herein, is denied.

WHEREFORE, having answered the Complaint, BellSouth respectfully requests that the Commission enter judgment in favor of BellSouth and against KMC, and grant any other relief deemed appropriate by the Commission.

Respectfully submitted this 12th day of November 1999.

BELLSOUTH TELECOMMUNICATIONS, INC.



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