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BELLSOUTH TELECOMMUNICATIONS, INC.
TESTIMONY OF DAVID P. SCOLLARD
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 990874-TP
JANUARY 31, 2000

Q. PLEASE STATE YOUR NAME, ADDRESS, AND POSITION WITH
BELLSOUTH TELECOMMUNICATIONS, INC.

A. I am David P. Scollard, Room 26D3, 600 N. 19th St., Birmingham, AL 35203.
My current position is Manager, Wholesale Billing at BellSouth Billing, Inc., a
wholly owned subsidiary of BellSouth Telecommunications, Inc. In that role, I
am responsible for overseeing the implementation of various changes to
BellSouth's Customer Records Information System ("CRIS") and Carrier
Access Billing System ("CABS").

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

A. I graduated from Auburn University with a Bachelor of Science Degree in
Mathematics in 1983. I began my career at BellSouth as a Systems Analyst
within the Information Technology Department with responsibility for
developing applications supporting the Finance organization. I have served in a
number of billing system design and billing operations roles within the billing
organization. Since I assumed my present responsibilities, I have overseen the
progress of a number of billing system revision projects such as the

1 implementation of the 1997 Federal Communications Commission ("FCC")
2 access reform provisions, billing of unbundled network elements ("UNEs"),
3 and the development of billing solutions in support of new products offered to
4 end user customers. I am familiar with the billing services provided by
5 BellSouth Telecommunications to local competitors, interexchange carriers
6 and retail end user customers.

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8 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS
9 PROCEEDING?

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11 The purpose of my testimony is to provide the Commission with an
12 understanding of the work that has been done within BellSouth's Carrier
13 Access Billing System ("CABS") to process usage records for calls originating
14 from an ALEC (such as US LEC) bound for Internet Service Providers (ISPs)
15 served by BellSouth.

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17 Q. WHAT IS CABS?

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19 A. CABS is a system that BellSouth uses primarily for billing interexchange
20 carriers for services ordered from the FCC and state Access Tariffs. BellSouth
21 also uses CABS to bill ALECs for a number of services such as local
22 interconnection trunking and usage charges, unbundled designed loops and
23 unbundled dedicated interoffice transport. CABS is designed to accept service
24 orders which are initiated from IXC's, ALECs and other customers as they
25 order access, local interconnection and UNE types of services. In addition,

1 CABS processes the massive numbers of call records that are produced in the
2 BellSouth central offices associated with access, local and other types of
3 facilities. For example, when an ALEC sends a call across one of its
4 interconnection trunks, the BellSouth switch to which that trunk interconnects
5 generates a usage record. CABS processes that record and bills the applicable
6 rate elements to the ALEC or other interconnecting carrier based on whether
7 the call is local, intra-LATA toll or inter-LATA.

8

9 Q. DID BELLSOUTH MAKE ANY CHANGES TO CABS TO SEPERATELY
10 METER OR OTHERWISE SPECIFICALLY HANDLE USAGE RECORDS
11 FOR CALLS BOUND FOR ISPs SERVED BY BELLSOUTH?

12

13 A. Yes. As early as January 1997, BellSouth began a project to identify methods
14 to separate ISP traffic from local traffic by identifying specific 10-digit
15 telephone numbers of ISP providers served by BellSouth. Through this
16 process, BellSouth could then identify and separate out ISP traffic that
17 originated on ALEC networks to ensure that such traffic would not be
18 considered when calculating reciprocal compensation bills that BellSouth
19 submitted to ALECs. In June 1997, BellSouth instituted a work request to
20 implement this enhancement in CABS. Although originally targeted for
21 completion by August, 1997, the enhancement was not implemented in CABS
22 until September 1997. In September 1998, CABS was revised again to
23 specifically detail the ISP traffic on the ALEC's bill pages to illustrate that
24 these calls were being zero-rated and to aid the ALECs in bill verification
25 efforts.

1 Q. WERE ON-GOING PROCESSES DEVELOPED TO MAINTAIN THIS
2 CABS CAPABILITY?

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4 A. Yes. A process was put in place to maintain the database of telephone numbers
5 identified as being used by an ISP. This process allowed for new numbers to be
6 added and for numbers to be removed as the ISP's use of them ended. These
7 updates were made on a periodic basis as new information became available.

8

9 Q. HAS BELLSOUTH BILLED ALECS RECIPROCAL COMPENSATION
10 FOR ISP TRAFFIC?

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12 A. No. BellSouth has never intentionally billed reciprocal compensation for ISP
13 traffic to any ALEC. In October 1995, when the billing requirements for ALEC
14 traffic were first being addressed, BellSouth's systems were not equipped to
15 bill ALECs for reciprocal compensation. Thus, BellSouth implemented a
16 process in CABS to create an error record for any call originating from NPA-
17 NXXs being used by ALECs. While these calls were not actually "errors", an
18 error record provided an easy way to hold the usage records associated with the
19 traffic while BellSouth revised CABS to implement the various billing
20 provisions of the ALEC contracts. BellSouth designed the error record process
21 to ensure that ALECs were not billed for any reciprocal compensation
22 whatsoever, including for ISP traffic, while the local contract billing
23 requirements were implemented in the systems. So that BellSouth could
24 ensure it billed ALECs appropriately when BellSouth completed the
25 implementation of the enhancements to CABS to appropriately bill for

1 reciprocal compensation, BellSouth wrote off the usage held beginning in
2 October 1995 rather than billing the ALECs for that reciprocal compensation.

3

4 Q. WAS THE TRANSITION FROM THE PROCESS IMPLEMENTED IN
5 CABS IN 1995 TO THE ISP PROCESS IMPLEMENTED IN SEPTEMBER
6 1997 A SEAMLESS ONE?

7

8 A. Not entirely. In some isolated instances reciprocal compensation usage was
9 billed from CABS prior to the time that the ISP process was ready for
10 operation. I want to emphasize that to the extent this limited reciprocal
11 compensation billing included any ISP traffic, it was included in error. In the
12 fall of 1997, BellSouth attempted to negotiate a settlement of this issue, as well
13 as a number of other reciprocal compensation issues, with one ALEC with
14 little success owing to the very different positions of the parties on the billing
15 of ISP traffic. Based on this experience, and given the small amounts of billing
16 involved, no further attempts were made to settle this issue at that time.

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18 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

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20 A. Yes.

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