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RECORDS AND
REPORTING

April 7, 2000

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. 000121-TP (OSS)

Dear Ms. Bayó:

Enclosed is an original and 15 copies of BellSouth Telecommunications, Inc.'s Supplementary Comments, which we ask that you file 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. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,

Nancy B. White
Nancy B. White (N)

Enclosures

cc: All parties of record
Marshall M. Criser, III
R. Douglas Lackey

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FPSC-RECORDS/REPORTING

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into the) Docket No. 000121-TP
Establishment of Operations Support)
Systems Permanent Performance)
Measures for Incumbent Local Exchange))
Telecommunications Companies) Filed: April 7, 2000

**BELLSOUTH TELECOMMUNICATIONS, INC.'S
SUPPLEMENTARY COMMENTS**

BellSouth Telecommunications, Inc. ("BellSouth"), pursuant to the notice given by the Staff of the Florida Public Service Commission ("Commission") at the workshop held on March 30, 2000 in the above captioned matter, hereby files its Supplementary Comments. In support thereof, BellSouth states the following:

A. Authority

The Commission has the authority to set performance standards on any local exchange company on the level of wholesale service that that local exchange company provides through its Operations Support Systems. The Commission has the authority to require incumbents ("ILECs"), as well as alternate local exchange companies ("ALECs"), to report results on performance standards. Requiring periodic reporting by ALECs will ensure that the Commission has full and complete information on the service provided to the end user. The Commission does not have authority to award damages to an ALEC or an ILEC for non-compliance with performance standards.

BellSouth has entered into interconnection agreements that include performance standards and penalties. These are freely negotiated agreements available to an

interconnector. This Commission, however, does not have authority to order performance standards harsher than those contained in the negotiated agreements. The Commission has consistently recognized that it does not have authority under state law to award damages to a third party.

All ILECs and ALECs should be subjected to a set of performance standards that compare the service provided to wholesale customers to the service provided to retail customers. Of necessity, there may be differences in those standards due to the procedures and the interfaces specific to a certain company, but there must be consistency in key measurements and related standards.

The ultimate result of this proceeding may be rulemaking or a Commission order. The rulemaking process should not be used, however, to avoid previous Commission decisions on damages. A rule for wholesale standards should work in the same manner as on the retail side. In order to impose a penalty, a show cause proceeding would be required, with the penalty payment going to the state general fund, not as a windfall to an ALEC.

B. Administrative

Performance measures should be established in a short a timeframe as possible. This is not a proceeding that should be delayed. BellSouth suggests that the Staff conduct an independent assessment, allow for comments by parties and prepare a recommendation for Commission approval. This proceeding should apply to all ILECs. BellSouth should not be singled out for special treatment.

C. Establishment of Standards

Performance Measurements are intended to allow the Commission to monitor service the ILEC provides to its retail customers and to the ALECs and to detect disparate treatment. The question before the Florida Public Service Commission is 'How many measurements are required to detect disparity and what product and geographic detail is appropriate?'

There are several points of reference:

1. BellSouth currently provides 52 separate reports, many of which contain multiple measurements. This is approximately 3 times the number of measurements used by the Department of Justice in its recent evaluation of Bell Atlantic's application for In-Region InterLATA services.
2. In the FCC's Notice of Proposed Rule Making, (CC Docket 98-56, Paragraph 36), the FCC stated that the 'requirement for performance measurements should balance the goal of detecting discrimination with the goal of minimizing the burden imposed on the incumbent local exchange carrier.'

The Commission should focus on several key, customer oriented, outcome measurements and avoid those submetrics that measure fractions of an overall process. This will make periodic reviews and analysis much more efficient. Several ALECs will advocate more measurements, more product and geographic disaggregation. The Commission should understand that the ALECs have a very strong financial incentive to argue for more test points for penalties, particularly when there is no offset for superior service provided to the ALEC.

The Florida Public Service Commission has the experience in evaluating Performance Measurements that few Commissions have prior to ruling on the measurements applicable for their state. The Commission has received reports for over one year and has been directing the process to establish interim measurements for the OSS Evaluation. Based on that experience, the Commission can determine if the thousands of numbers produced each month are adequate.

D. Monitoring Performance Standards

BellSouth anticipates that a review of Performance Measurements will be a time consuming process. Consequently the Commission should conduct biannual reviews. However, once the Performance Measurements and Standards are initially established, the Commission should conduct a review of the standards after 6 months.

There was a significant amount of discussion at the March 30, 2000 workshop over Item D-3: Should an ILEC have to meet each individual standard in order to be viewed in compliance?

There is a considerable amount of precedence on this issue. The Commission has years of experience in regulating the telecommunications industry. Compliance with service rules, rates of return and prices has rarely, if ever, been a determinate of one discrete result. The Commission has considered a suite of results over the long term to determine compliance. The same principles should apply in determining parity of service. To do otherwise would imply that the customer served by an ALEC has considerably more oversight than the same customer served by the ILEC.

E. Penalties for Noncompliance

A rulemaking proceeding should apply to all local exchange companies and should ensure comparable treatment for wholesale and retail service. As discussed above, it would be inappropriate to allow the ALECs to enrich themselves or obtain a windfall or to use penalties as a line of business. This would not stimulate competition. There is a procedure in place to handle non-compliance with a Commission rule. Penalty payments are not awarded to a third party; they inure to the state. Therefore, penalties may be appropriate depending on who receives the payment.

Respectfully submitted this 7th day of April, 2000.

BELLSOUTH TELECOMMUNICATIONS, INC.

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**CERTIFICATE OF SERVICE
Docket No. 000121-TP**

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

U.S. Mail this 7th day of April, 2000 to the following:

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