Legal Department

ORIGINAL

NANCY B. WHITE General Counsel - Florida

BellSouth Telecommunications, Inc. 150 South Monroe Street Room 400 Tallahassee, Florida 32301 (305) 347-5558

March 30, 2001

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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. 000121-TP (OSS)

Dear Ms. Bayó:

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Enclosed is an original and 15 copies of Prehearing Statement of BellSouth Telecommunications, Inc., 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, RECEIVED & FILED AU OF RECORDNANCY B. White Enclosures cc: All parties of record Marshall M. Criser, III R. Douglas Lackey

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

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 30th day of March, 2001 to the following:

Tim Vaccaro Staff Counsel Florida Public Service Commission Division of Legal Services 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850 Tel. No. (850) 413-6181 Fax. No. (850) 413-6250

AT&T Marsha Rule 101 North Monroe Street Suite 700 Tallahassee, FL 32301-1549 Tel. No. (850) 425-6365 Fax. No. (850) 425-6361

GTE Florida, Inc. Kimberly Caswell P.O. Box 110, FLTC0007 Tampa, FL 33601-0110 Tel. No. (813) 483-2617 Fax. No. (813) 223-4888

Nanette Edwards Regulatory Attorney ITC^DeltaCom 4092 S. Memorial Parkway Huntsville, Alabama 35802 Tel. No. (256) 382-3856 Fax. No. (256) 382-3936 Scott A. Sapperstein Intermedia Communications, Inc. One Intermedia Way M.C. FLT-HQ3 Tampa, Florida 33647-1752 Tel. No. (813) 829-4093 Fax. No. (813) 349-9802

Charles J. Pellegrini Wiggins & Villacorta, P.A. 2145 Delta Boulevard Suite 200 Post Office Drawer 1657 Tallahassee, FL 32302 Tel. No. (850) 358-6007 Fax. No. (850) 358-6008 Counsel for Intermedia

Peter M. Dunbar, Esquire Karen M. Camechis, Esquire Pennington, Moore, Wilkinson, Bell & Dunbar, P.A. Post Office Box 10095 (32302) 215 South Monroe Street, 2nd Floor Tallahassee, FL 32301 Tel. No. (850) 222-3533 Fax. No. (850) 222-2126

Brian Chaiken Legal Counsel Supra Telecom 1311 Executive Center Drive Suite 200 Tallahassee, FL 32301 Tel. No. (850) 402-0510 Fax. No. (850) 402-0522 Michael A. Gross Vice President, Regulatory Affairs & Regulatory Counsel Florida Cable Telecomm. Assoc. 246 East 6th Avenue Tallahassee, FL 32303 Tel. No. (850) 681-1990 Fax. No. (850) 681-9676 mgross@fcta.com

Susan Masterton Charles J. Rehwinkel Sprint Post Office Box 2214 MS: FLTLHO0107 Tallahassee, Florida 32316-2214 Tel. No. (850) 599-1560 Fax. No. (850) 878-0777

Donna Canzano McNulty MCI WorldCom, Inc. 325 John Knox Road The Atrium, Suite 105 Tallahassee, FL 32303 Tel. No. (850) 422-1254 Fax. No. (850) 422-2586

Brian Sulmonetti MCI WorldCom, Inc. 6 Concourse Parkway, Suite 3200 Atlanta, GA 30328 Tel. No. (770) 284-5493 Fax. No. (770) 284-5488

Catherine F. Boone, Esq. Covad Communications Company 10 Glenlake Parkway Suite 650 Atlanta, Georgia 30328 Tel. No. (678) 579-8388 Fax. No. (678) 320-9433 John Rubino George S. Ford Z-Tel Communications, Inc. 601 South Harbour Island Blvd. Tampa, Florida 33602 Tel. No. (813) 233-4630 Fax. No. (813) 233-4620 gford@z-tel.com

Joseph A. McGlothlin Vicki Gordon Kaufman McWhirter, Reeves, McGlothlin, Davidson, Decker, Kaufman, et. al 117 South Gadsden Street Tallahassee, Florida 32301 Tel. No. (850) 222-2525 Fax. No. (850) 222-5606 jmcglothlin@mac-law.com vkaufman@mac-law.com Represents KMC Telecom Represents Covad Represents MPower

Jonathan E. Canis Michael B. Hazzard Kelley Drye & Warren, LLP 1200 19th Street, N.W., Fifth Floor Washington, DC 20036 Tel. No. (202) 955-9600 Fax. No. (202) 955-9792 jacanis@kelleydrye.com mhazzard@kelleydrye.com

Tad J. (T.J.) Sauder Manager, ILEC Performance Data Birch Telecom of the South, Inc. 2020 Baltimore Avenue Kansas City, MO 64108 Tel. No. (816) 300-3202 Fax. No. (816) 300-3350 John D. McLaughlin, Jr. KMC Telecom 1755 North Brown Road Lawrence, Georgia 30043 Tel. No. (678) 985-6262 Fax. No. (678) 985-6213 jmclau@kmctelecom.com

Andrew O. Isar Ascent 3220 Uddenberg Lane, NW Suite 4 Gig Harbor, WA 98335 Tel. No. (253) 851-6700 Fax. No. (253) 851-6474 aisar@millerisar.com

Richard D. Melson Hopping Green Sams & Smith Post Office Box 6526 Tallahassee, FL 32314 Represents Rhythms Tel. No. (850) 222-7500 Fax. No. (850) 224-8551

Jeremy Marcus Elizabeth Braman Blumenfeld & Cohen 1625 Massachusetts Ave. N.W. Suite 300 Washington, D.C. 20036 Represents Rhythms Tel. No. (202) 955-6300 Fax. No. (202) 955-6460

Norman H. Horton, Jr. Messer, Caparello & Self 215 South Monroe Street Suite 701 Post Office Box 1876 Tallahassee, FL 32302-1876 Represents e.spire Tel. No. (850) 222-0720 Fax. No. (850) 224-4359 Renee Terry, Esq. e.spire Communications, Inc. 131 National Business Parkway Suite 100 Annapolis Junction, MD 20701 Tel. No. (301) 361-4298 Fax. No. (301) 361-4277

John Kerkorian Mpower Communications, Corp. 5607 Glenridge Drive Suite 300 Atlanta, GA 30342 Tel. No. (404) 554-1217 Fax. No. (404) 554-0010

Suzanne F. Summerlin, Esq. 1311-B Paul Russell Road Suite 201 Tallahassee, FL 32301 Tel. No. (850) 656-2288 Fax. No. (850) 656-5589

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

Filed: March 30, 2001

PREHEARING STATEMENT OF BELLSOUTH TELECOMMUNICATIONS, INC.

BellSouth Telecommunications, Inc. ("BellSouth"), in compliance with the Order

Establishing Procedure (Order No. PSC-01-0242-PCO-TP), issued January 26, 2001,

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:

Witness

1. David A. Coon (Direct and Rebuttal)

lssue(s)

A, 1(a), 1(b), 2(a), 2(b),
3(a), 3(b), 5(a), 5(b), 6(a),
6(b), 7, 8, 9, 10, 11(a)(2),
11(a)(3), 11(a)(4), 11(b)(2),
11(b)(3), 11(b)4, 11(c)2,
11(c)3, 11(c)4, 12(a)2,
12(a)3, 12(a)4, 12(b)2,
12(b)3, 12(b)4, 12(c)2,
12(c)3, 12(c)4, 13, 14(a),

		14(b), 15, 16, 17, 18, 19(a),
		19(b), 20, 21, 23, 24(a),
		24(b), 25, 26, 27(a), 27(b),
		28
2.	Cynthia K. Cox (Direct and Rebuttal)	4, 8, 29, and 30
3.	Jerry Latham (Rebuttal)	1(a), and 9
4.	Dr. Edward J. Mulrow (Direct and Rebuttal)	11(c)(1), 11(c)(2), 11(c)(5),
		12(c)(1), 12(c)(2), 12(C)(5),
		and 23
5.	Ron Pate (Rebuttal)	1(a)
6.	Bill Taylor (Rebuttal)	1(a), 2(a), 2(b), 11, 12, 18,
		19, 20, 21, 22, and 23

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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 May 25, 2001. BellSouth has listed the witnesses for whom BellSouth believes testimony will be filed, but reserves the right to supplement that list if necessary.

B. <u>Exhibits</u>				
David A. Coon	DAC-1	BellSouth Service Quality Measurement Plan		
	DAC-2	BellSouth's Performance Measurements Analysis Platform		
	DAC-3	Comparison of Service Quality Measurements		
	DAC-4	Disaggregation and Analog/Benchmark Comparison		
	DAC-5	Comparison of Enforcement Measurements		
	DAC-6	Fee Schedule Per Affected Item		
	DAC-R1	Quality of Sub-Metrics		
	DAC-R2	BellSouth Sub-Metrics		
Dr. Edward J. Muirow	EJM-1	Louisiana SQM Reports		
Ronald M. Pate	RMP-1	BellSouth Change Control Process Guide, Version 2.1a		
	RMP-2	BellSouth Change Control Process Guide, Version 2.1		
	RMP-3	The February 1999 letter from FCC's Common Carrier Bureau Chief		
	RMP-4	Flow-Through Matrix Excerpt from Florida Interim Performance Matrix		
Dr. William E. Taylor	WET-1	Curriculum Vitae		

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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

BellSouth's proposed Performance Assessment Plan should be approved by the Commission. BellSouth's plan is comprehensive and is based on sound principles. For instance, the plan recognizes that not all metrics should be treated equally, and it applies this recognition by offering greater remedies for some measurements than for others. The multi-tiered structure of BellSouth's plan will ensure that BellSouth will continue to provide service at parity by escalating penalties for continued violations. The remedies inherent in BellSouth's plan escalate with an increase in disparate performance and with the increased certainty that this disparity exists. Finally, the statistical methodology proposed by BellSouth is capable of identifying systematic disparate treatment, thereby ensuring that BellSouth provides non-discriminatory service to all Alternative Local Exchange Carriers ("ALECs").

As to the timing of plan implementation, the purpose of the plan is to prevent "backsliding" after BellSouth obtains 271 authority. For this reason, the enforcement portion of the plan should not go into effect until BellSouth obtains interLATA relief in Florida.

Although BellSouth's plan is similar in many respects to the StrawMan Proposal advocated by Staff, and described in the testimony of Staff's witness, Paul Stahlcup, BellSouth respectfully submits that its plan should be adopted in the areas in which it

differs from Staff's proposal. What the Commission should not do, however, is adopt the seriously flawed plan submitted by the ALECs. The ALEC plan would result in the excessive payment of penalties from BellSouth to ALECs, even in those circumstances in which BellSouth is providing service at parity. Adoption of the ALEC plan would result in a transfer from BellSouth to ALECs of extremely large amounts of unwarranted penalty payments, but would accomplish little else.

Specifically, the ALEC plan suffers from a number of problems. These include (1) the fact that the ALEC plan is structured so that each measure carries equal weight, despite the fact that failure to meet a particular measure would not have the same impact on customers as a failure to meet a different measure; (2) parity decisions are based on a level of disaggregation that does not make "like-to-like" comparisons; (3) the statistical methodology proposed by the ALECs is flawed; and (4) the conceptual framework of the ALECs Tier 1 and Tier 2 remedies is flawed. Perhaps most importantly, the ALEC plan, if adopted, would take an extremely long time to implement, and after implementation, would be so complicated that its administration would be difficult, if not impossible.

D. BellSouth's Position on the Issues

Issue A: How should the results of KPMG's review of BellSouth performance measures be incorporated into this proceeding?

<u>Position</u>: Assuming KPMG's review is not completed at the time of the hearing in this matter, any appropriate modifications should be addressed as part of the next performance assessment plan review cycle. This review should occur approximately six months after the completion of this proceeding.

Issue 1(a): What are the appropriate service quality measures to be reported by BellSouth?

<u>Position</u>: The appropriate service quality measures to be reported by BellSouth are those contained in the BellSouth Service Quality Measurements (SQM) that are attached to the testimony of BellSouth witness, David Coon, as Exhibit DAC-1.

Issue 1(b): What are the appropriate business rules, exclusions, calculations, and levels of disaggregation and performance standards for each?

<u>Position</u>: The appropriate business rules, exclusions, calculations, and levels of disaggregation and performance standards are those set forth in BellSouth's SQM, which is attached to the testimony of BellSouth witness, David Coon, as Exhibit DAC-1.

Issue 2(a): What are the appropriate Enforcement Measures to be reported by BellSouth for Tier 1 and Tier 2?

<u>Position</u>: The enforcement plan should utilize key measures in areas that affect customers. BellSouth's plan, which is patterned, in part, after the measurements that were used in New York and Texas, does so. It is not appropriate to have a penalty associated with each and every measurement in the performance plan, since this would result in duplicative penalties, as well as penalties that do not correspond to the effect of any disparate performance.

Issue 2(b): What are the appropriate levels of dissaggregation for compliance reporting?

<u>Position</u>: The appropriate level of disaggregation for compliance reporting is that proposed by BellSouth and set forth in Exhibit DAC-4 to the testimony of BellSouth witness, David Coon.

Issue 3(a): What performance data and reports should be made available by BellSouth to ALECs?

<u>Position</u>: The appropriate performance data and reports to be made available by BellSouth to ALECs are those identified in BellSouth's SQM, as set forth in Exhibit DAC-1 to the testimony of BellSouth witness Dave Coon.

<u>Issue 3(b)</u>: Where, when, and in what format should BellSouth performance data and reports be made available?

<u>Position</u>: Performance reports for all BellSouth SQMs are currently available electronically on a monthly basis at BellSouth's website. BellSouth commits to posting these reports by the 30th day after the month in which activity is reported. Although some parties advocate reporting within 20 days, this is not achievable due to the volume of information that must be reported. With regard to raw data, BellSouth will provide on the website all data underlying reports derived from BellSouth's Performance Measurement Analysis platform ("PMAP").

Issue 4(a): Does the Commission have the legal authority to order implementation of a self-executing remedy plan?

Issue 4(b): With BellSouth's consent?

Issue 4(c): Without BellSouth's consent?

<u>Position</u>: BellSouth has agreed to voluntarily submit to the self-effectuating enforcement mechanism that is described in the testimony of its witnesses. The Commission has the legal authority to enter an order that is consistent with this voluntary agreement by BellSouth. The Commission does not have the legal authority to order a self-executing remedy plan that includes elements to which BellSouth does not agree.

Issue 5(a): Should BellSouth be penalized when BellSouth fails to post the performance data and reports to the Web site by the due date?

<u>Position</u>: No. BellSouth should not be subjected to an automatic penalty for the late posting of a report. Unless a systematic failure to post reports occurs, there should be no penalties for late posting, particular if the tardiness is minor. It is not reasonable to assume that the deadlines can be made in every single instance, and there is no reason to believe that occasional late reporting is harmful to the ALECs or to the Commission.

Issue 5(b): If so, how should the penalty amount be determined, and when should BellSouth be required to pay the penalty?

<u>Position</u>: As stated in the response to 5(a), there should be no penalty for occasionally missing the deadline to file performance data reports. If the Commission determines it is appropriate to assess such a penalty, the amount of the penalty proposed by the Staff (\$2,000 per day), would be reasonable <u>if</u> the \$2,000 per day applies to the aggregate of all reports and is not based on each individual report. Again, however, BellSouth does not believe that any penalty is appropriate.

Issue 6(a): Should BellSouth be penalized if performance data and reports published on the BellSouth Web site are incomplete or inaccurate?

<u>Position</u>: No, BellSouth should not be subjected to involuntary, automatic penalties for incomplete or inaccurate reports. First, it would be difficult to develop a workable definition of what precisely would be considered an "incomplete" or "inaccurate" report. Further, once reporting errors or omissions are discovered, they should be corrected as quickly as possible. Applying a penalty after an error is detected is inconsistent with this goal.

Issue 6(b): If so, how should the penalty amount be determined, and when should BellSouth be required to pay the penalty?

<u>Position</u>: As stated in response to 6(a), there should be no penalty. If the Commission determines it is appropriate to assess such a penalty, then BellSouth believes that the \$400 per day proposed by Staff is an appropriate amount, if this amount applies to the aggregate of all reports and not to each incomplete or inaccurate report on an incremental basis. However, BellSouth reiterates that it does not believe the payment of any penalty is appropriate.

Issue 7: What review process, if any, should be instituted to consider revisions to the Performance Assessment Plan that is adopted by this Commission?

<u>Position</u>: BellSouth concurs in the proposed review process set forth in the FPSC Staff Proposal (Section 3.0, Modifications to Measures).

Issue 8: When should the Performance Assessment Plan become effective?

<u>Position</u>: Assuming the Commission issues an Order by July 31, 2001, BellSouth can produce all data and measurements included in the BellSouth proposal during the fourth quarter of 2001. The enforcement portions of the performance assessment plan, however, should not become effective until after BellSouth receives 271 authority in Florida. The purpose of enforcement mechanisms is to ensure that there will be no "backsliding" after BellSouth enters the long distance market; therefore, implementation of penalties should not occur until BellSouth obtains interLATA relief in Florida.

Issue 9: What are the appropriate Enforcement Measurement Benchmarks and Analogs?

<u>Position</u>: The appropriate enforcement measurement benchmark and analogs are those set forth in the Exhibit DAC-1 to the testimony of BellSouth witness, David Coon, and summarized in Exhibit DAC-5.

Issue 10: Under what circumstances, if any, should BellSouth be required to perform a root cause analysis?

<u>Position</u>: BellSouth should not be required under any circumstances to perform a root cause analysis. A root cause analysis is an expensive and time-consuming process that is not always necessary. BellSouth will have the information necessary to identify problems that may occur and the incentive (by virtue of the enforcement penalties) to correct these problems. There is no need for a formal, and time consuming, process necessarily required to perform root cause analysis.

Issue 11(a): What is the appropriate methodology that should be employed to determine if BellSouth is providing compliant performance to an individual ALEC? (Tier 1)

Issue 11(b): How should parity be defined for purposes of the Performance Assessment Plan?

<u>Position</u>: The determination of whether BellSouth is providing "compliant performance" to an individual ALEC is identical to the determination of whether BellSouth is providing service at parity. The FCC has expressly defined parity. Where a retail analog exists, BellSouth must provide access to competing carriers in substantially the same time and manner as it provides to itself. For functions that have no retail analog, BellSouth must provide access that would allow an efficient carrier a meaningful opportunity to compete. This would be determined by the use of a benchmark.

Issue 11(c): What is the appropriate structure?

<u>Position</u>: The structure for Tier 1 enforcement should include clear predetermined measurements and standards that cover a comprehensive range of carrier-to-carrier performance. The enforcement plan should focus on the measurement of key processes, i.e., those in which a failure could have a direct, significant effect on

competition. It is not necessary to have a penalty associated with every measurement. The measurements that should be included in Tier 1 are set forth in Exhibit DAC-1.

11(c) 1. What is the appropriate statistical methodology?

<u>Position</u>: The appropriate statistical methodology to use is called the Truncated Z Method with error probability balancing.

11(c) 2. What is the appropriate parameter delta, if any?

<u>Position</u>: The appropriate parameter delta for Tier 1 is 1.0. BellSouth recommends utilizing this delta for an initial period of six months to see what results are produced, and upon analysis of these results, to set a permanent value.

11(c) 3. What is the appropriate remedy calculation?

Position: BellSouth's proposed remedy calculation (as set forth in Exhibit DAC-6)

is the appropriate calculation. This is a transaction-based approach that, unlike the

ALEC proposal, appropriately correlates the size of any penalty to the volume of

transactions, and to the resulting impact of any failures.

11(c) 4. What is the appropriate benchmark table for small sample sizes?

Position: BellSouth proposed a 95% confidence Small Sample Size (as described

in Exhibit DAC-6, Section B, p. 6).

11(c) 5. Should there be a floor on the balancing critical value?

<u>Position</u>: No. An artificial floor will inappropriately prevent the balancing critical value from changing as it should, with changes in sample size.

Issue 12(a): What is the appropriate methodology that should be employed to determine if BellSouth is providing complaint performance on a statewide ALEC-aggregate basis? (Tier 2)

Issue 12(b): How should parity be defined for purposes of the Performance Assessment Plan?

<u>Position</u>: The determination of whether BellSouth is providing "compliant performance" on a statewide ALEC-aggregate basis is identical to the determination of whether BellSouth is providing service at parity. The FCC has expressly defined parity. Where a retail analog exists, BellSouth must provide access to competing carriers in substantially the same time and manner as it provides to itself. For functions that have no retail analog, BellSouth must provide access that would allow an efficient carrier a meaningful opportunity to compete. This would be determined by the use of a benchmark.

Issue 12(c): What is the appropriate structure?

<u>Position</u>: As with Tier 1, the Tier 2 enforcement plan should include clear, preset measurements and standards that encompass a comprehensive range of carrier-tocarrier performance. Tier 2 enforcement mechanisms should focus specifically on those processes in which recurring failures could have a significant effect on the ALEC industry. The specific measurements that BellSouth proposes for inclusion in Tier 2 are set forth in Exhibit DAC-1.

12(c) 1. What is the appropriate statistical methodology?

<u>Position:</u> The appropriate statistical methodology to use is called the Truncated Z Method with error probability balancing.

12(c) 2. What is the appropriate parameter delta, if any?

Position: The appropriate parameter delta for Tier 2 is 0.5. BellSouth

recommends utilizing this delta for an initial period of six months, to see what results are produced, and upon the analysis of these results, to set a permanent value.

12(c) 3. What is the appropriate remedy calculation?

<u>Position</u>: Tier 2 remedy calculations should be based on an indication of failure for three consecutive months. When a failure occurs for this period of time, the effected volumes for the three-month period should be averaged and then multiplied by the appropriate penalty fee on a per item basis.

12(c) 4. What is the appropriate benchmark table for small sample s sizes?

<u>Position</u>: BellSouth proposed a 95% confidence Small Sample Size (as described in Exhibit DAC-6, Section B, p. 6).

12(c) 5. Should there be a floor on the balancing critical value?

<u>Position</u>: No. An artificial floor will inappropriately prevent the balancing critical value from changing, as it should, with changes in sample size.

Issue 13: When should BellSouth be required to make payments for Tier 1 and Tier 2 noncompliance, and what should be the method of payment?

<u>Position</u>: Both Tier 1 and Tier 2 payments should be made by check. Tier 1 payments should be made to the affected ALEC; Tier 2 payments should be made to the Florida State Treasury. For both Tier 1 and Tier 2, payment should be rendered at the end of the second month after the month for which the penalties are being paid (e.g., payment related to January performance would be made by the end of March).

Issue 14(a): Should BellSouth be required to pay interest if BellSouth is late in paying an ALEC the required amount for Tier 1?

<u>Position</u>: Yes. For Tier 1, BellSouth's penalty proposal provides for the payment of interest for each day BellSouth fails to make penalty payments pursuant to BellSouth's proposal under Issue 13.

Issue 14(b): If so, how should the interest be determined?

<u>Position</u>: BellSouth should be required to pay the ALEC interest (at a rate of six percent simple interest per annum) for each day after the due date that BellSouth fails to pay the ALEC.

Issue 15: Should BellSouth be fined for late payment of penalties under Tier 2? If so, how?

<u>Position</u>: No. BellSouth should not be subjected to a fine (in other words, an involuntary payment) for the late payment of penalties under Tier 2. However, BellSouth has voluntarily agreed to a payment to the Commission of \$1,000 per day for each day that BellSouth's payment to the Commission of Tier 2 enforcement penalties is late.

Issue 16: What is the appropriate process for handling Tier 1 disputes regarding penalties paid to an ALEC?

Position: BellSouth generally concurs with the proposal set forth in Mr. Stallcup's

StrawMan proposal. BellSouth also proposes the addition of provisions to discourage

the submission of frivolous disputes.

Issue 17: What is the appropriate mechanism for ensuring that all penalties under Tier 1 and Tier 2 Enforcement Mechanisms have been paid and accounted for?

Position: BellSouth agrees with the proposal set forth in the testimony of Mr.

Stallcup?

Issue 18: What limitation of liability, if any, should be applicable to BellSouth?

<u>Position</u>: BellSouth agrees with the Staff Proposal, which includes limitations of liability for events such as the submission of orders in unreasonable quantities, findings of noncompliance that are attributable to an ALEC, and an ALEC's noncompliance with its interconnection agreement.

Issue 19(a): What type of cap, if any, is appropriate for inclusion in the Performance Assessment Plan?

<u>Position</u>: The appropriate cap is an absolute one, as proposed by BellSouth. The "procedural cap" supported by some parties is really not a cap at all, but rather a threshold amount that must be reached before the process of setting a cap would begin. This procedural cap is inconsistent with the goal of making the plan self-effectuating. Also, BellSouth's voluntary plan includes an absolute cap because BellSouth's potential liability to ALECs should not be so great that it jeopardizes BellSouth's ability to serve all of its customers. Liability of this magnitude could be caused by an uncapped plan.

Issue 19(b): What is the appropriate dollar value of a cap if applicable?

<u>Position</u>: It is not appropriate to have a set dollar amount for the absolute cap. Instead, the absolute cap should be 36 percent of BellSouth's net operating revenues of its Florida operations. Having a percentage cap will allow the amount of the cap appropriately to increase or decrease based on existing circumstances.

Issue 20: What process, if any, should be used to determine whether penalties in the excess of the cap should be required?

<u>Position</u>: The only appropriate cap is an absolute cap. Accordingly, there should be no penalties in excess of that cap.

Issue 21: If there is a cap, for what period should the cap apply?

Position: The cap should be applied on an annual basis.

Issue 22: Should the Performance Assessment Plan include a Market Penetration Adjustment, and if so how should such an adjustment be structured?

<u>Position</u>: No. A Market Penetration Adjustment would unfairly penalize BellSouth for an ALEC's business decisions not to include Florida in the ALEC's initial entry level strategy.

Issue 23: Should the Performance Assessment Plan include a Competitive Entry Volume Adjustment, and if so how should such an adjustment be structured?

<u>Position</u>: No. The competitive entry volume adjustment should be rejected for two reasons. One, although it is intended to provide protection for small ALECs, the criteria to apply the adjustment is based on the number of transactions, which means that an ALEC of any size would be subject to this adjustment if it has a small number of transactions. Two, the proposed plan would apply the penalty to transactions at the "submeasure" level. This means that transactions would be broken down to sub-metrics and the adjustment would be applied at this level. A large number of actual transactions could be broken down into an extremely large number of sub-metric components, within measurement categories, with a small number of transactions in each category, which would result in the penalty being applied inappropriately.

Issue 24(a): Should periodic third-party audits of Performance Assessment Plan data and reports be required?

<u>Position</u>: Yes, within reason. BellSouth believes that third-party audits of Performance Assessment Plan data and reports are appropriate. Because BellSouth's measurement data is produced by a regional system and managed by a regional organization, audits should be conducted regionally whenever possible.

Issue 24(b): If so, how often should audits be conducted, and how should the audit scope be determined?

<u>Position</u>: BellSouth will agree to undergo a comprehensive audit of the current year aggregate level reports for both BellSouth and the ALECs for each of the next five years. BellSouth, the PSC and the ALECs should jointly determine the scope of the audits.

Issue 25: If periodic third-party audits are required, who should be required to pay the cost of the audits?

Position: The cost of these audits should be borne 50% by BellSouth and 50% by

the ALEC or ALECs.

Issue 26: Who should select the third-party auditor if a third-party audit is required?

Position: The independent third party auditors should be selected based upon

input from BellSouth, the PSC (if applicable), and the ALECs.

<u>Issue 27(a)</u>: Should an ALEC have the right to audit or request a review by BellSouth for one or more selected measures when it has reason to believe the data collected for a measure is flawed or the report criteria for the measure is not being adhered to?

Position: No. BellSouth provides ALECs with the raw data that underly many of

the BellSouth service quality measure reports, and also provides a manual that describes

how this data may be used by the ALECs. The ALECs can use the raw data to validate

the results of the BellSouth service quality measurement reports posted on the BellSouth

website.

Issue 27(b): If so, should the audit be performed by an independent third party?

Position: No. Additional audits beyond the yearly comprehensive audit

discussed under Issue 24 are not necessary.

Issue 28: Should BellSouth be required to retain performance measurement data and source data, and if so, for how long?

Position: The data that is maintained by the PMAP system should be retained for

a period not to exceed eighteen months. The retention of this data for longer than

eighteen months would result in large and burdensome costs to BellSouth.

Issue 29: What is the appropriate definition of "affiliate" for the purpose of the Performance Assessment Plan?

Position: The term affiliate is defined in the Telecommunications Act. The real

issue, however, is not how the term "affiliate" should be defined, but whether there are

circumstances in which BellSouth's performance related to its transactions with its

affiliates should be considered in the context of the performance assessment plan.

Issue 30(a): Should BellSouth be required to provide "affiliate" data as it relates to the Performance Assessment Plan?

Issue 30(b): If so, how should data related to BellSouth affiliates be handled for purposes of

- 1. Measurement reporting?
- 2. Tier 1 compliance?
- 3. Tier 2 compliance?

<u>Position</u>: If affiliate data is required, the only BellSouth affiliate data that should be reported is that which reflects the provision of wholesale services from BellSouth to a BellSouth-affiliated ALEC. This is the data that should be used to do an "apples-toapples" type comparison that would be useful for parity purposes. As with all other ALECs, BellSouth will produce measurements for its ALEC, and this information will be provided to the Commission in the form of periodic performance reports. The Commission, however, should not require that this information be used at this time to develop measurements or in the context of Tier 1 or Tier 2 compliance and, in fact, the Commission need not take any action with regard to this data. If the Commission deems it appropriate to monitor this data, BellSouth would not object to this approach.

E. Stipulations

None.

F. Pending Motions

BellSouth has no motions pending at this time.

G. Other Requirements

None.

Respectfully submitted this 30th day of March, 2001.

BELLSOUTH TELECOMMUNICATIONS, INC.

NANCY B. WHITE (A) JAMES MEZA III c/o Nancy Sims 150 South Monroe Street, #400 Tallahassee, Florida 32301 (305) 347-5558

R. DOUGLAS LACKEY () (ℓ A) J. PHILLIP CARVER 675 West Peachtree Street, #4300 Atlanta, Georgia 30375 (404)335-0710