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DIVISION OF COMPETITIVE MARKETS &
ENFORCEMENT
BETH W. SALAK
DIRECTOR
(850) 413-6600

Public Service Commission

July 17, 2003

Ms. Nancy Sims
Director, Regulatory Relations
BellSouth Telecommunications, Inc.
150 S. Monroe Street, Suite 400
Tallahassee, FL 32301-1556

Re: Docket No. 000121A-TP

Dear Ms. Sims:

It is my understanding that BellSouth has failed to make the appropriate SEEM penalty payments for its flow-through performance measurement in accordance with FPSC Order No. PSC-02-0989-PAA-TP, issued July 22, 2002. According to your letter, BellSouth failed to double the penalty for Tier 1 and Tier 2 measures O-3 and O-4. I further understand that BellSouth failed to modify the application of Tier 2 penalties from misses based on three consecutive months to an application for each month BellSouth failed to meet the benchmark. These changes were ordered for implementation with the August 2002 data.

Your letter indicated that BellSouth has offered to correct the flow-through payments for the past three months in accordance with the recently approved reposting policy. However, staff strongly believes this issue is not a reposting issue but an order compliance issue relating to remedies. Staff believes that, at a minimum, BellSouth should correct the flow-through SEEM payments of measures O-3 and O-4 for the entire period ordered beginning with August 2002 flow-through results to comply with FPSC Order No. PSC-02-0989-PAA-TP. Staff will also be determining if additional enforcement action is necessary.

I believe a rapid resolution of this issue is necessary. Please call me if you have any questions.

Sincerely,

Lisa S. Harvey
Chief, Bureau of Regulatory Review

LSH\bjm
cc: Beth Salak
Bob Trapp

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