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September 10, 1999

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OF COUNSEL ELIZABETH C. BOWMAN



Ms. Blanca S. Bayó Director, Records and Reporting Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

Re: UNE Docket No. 990649

Dear Ms. Bayó:

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BRIAN H. BIBEAU

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FRANK E. MATTHEWS

RICHARD D. MELSON

GABRIEL E. NIETO

ERIC T. OLSEN

ANGELA R. MORRISON

KEVIN B. COVINGTON

Enclosed for filing on behalf of Rhythms Links Inc. (f/k/a/ACI Corp.) (Rhythms) are the original and fifteen copies of the prefiled rebuttal testimony of Eric H. Geis.

Also, enclosed for filing on behalf of Rhythms and Covad Communications Company (COVAD) are the original and fifteen copies of the prefiled rebuttal testimony of Terry L. Murray.

By copy of this letter, these documents have been furnished to the parties on the attached service list.

Very truly yours,

THOU!

Richard D. Melson

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#### **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a copy of the foregoing was furnished to the following parties by U.S. Mail this 10th day of September, 1999.

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Tie O. M

Attorney

ORIGINAL

# BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Investigation into Pricing of Unbundled Network Elements

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Docket No. 990649-TP

#### REBUTTAL TESTIMONY OF

ERIC H. GEIS

ON BEHALF OF

RHYTHMS LINKS INC. f/k/a ACI CORP.

September 10, 1999

DOCUMENT NUMBER-DATE

10913 SEP 108

#PUD-RECORDS/REPORTING

1		BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
2		RHYTHMS LINKS INC. f/k/a ACI CORP.
3		REBUTTAL TESTIMONY OF ERIC H. GEIS
4		DOCKET NO. 990649-TP
5		<b>SEPTEMBER 10, 1999</b>
6	I.	INTRODUCTION
7	Q.	PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.
8	A.	My name is Eric H. Geis. I am the Secretary and Treasurer of Rhythms Links
9		Inc. f/k/a ACI Corp. ("Rhythms"). My business address is 6933 S. Revere
10		Parkway, Englewood, CO 80112.
11	Q.	PLEASE STATE YOUR QUALIFICATIONS AND EXPERIENCE.
12	A.	I have twenty-five years of experience in the telecommunications industry,
13		working for regulated telephone companies, as well as for manufacturers and
14		suppliers providing products and services to the telecommunications industry.
15		I am a founder of Rhythms, and have been an officer since its founding in
16		1997. I am also on the Board of Directors for another competitive local
17		exchange carrier ("CLEC"), Net2000, based in Herndon, Virginia. My
18		qualifications and business experiences are attached to my testimony as
19		Exhibit (EHG-1).
20	Q.	DOES RHYTHMS HAVE A CERTIFICATE IN THE STATE OF
21		FLORIDA TO PROVIDE TELECOMMUNICATIONS SERVICES?
22	A.	Yes. Rhythms received approval to operate as a competitive local exchange
23		carrier on October 13, 1998 and as an intrastate interexchange carrier on
24		December 5, 1998 from the Florida Public Service Commission.

1	Q.	WHAT IS THE PURPOSE OF YOUR TESTIMONY?
2	A.	The purpose of my testimony is to respond to some of the issues raised in the
3		Direct Testimony filed by other parties in this proceeding. In particular, I will
4		respond to claims made by BellSouth Telecommunications, Inc.'s
5		("BellSouth") witness Richard D. Emmerson.
6	Q.	PLEASE SUMMARIZE YOUR TESTIMONY.
7	A.	In my testimony, I will:
8		Describe Rhythms and its business plans to serve consumers in Florida;
9		Demonstrate that incumbent local exchange carriers ("ILECs") currently
10		maintain a competitive advantage in the provision of advanced services
11		such as digital subscriber line ("DSL" or "xDSL") services; and
12		• Explain that xDSL-capable loops must be properly defined and must be
13		priced according to Total Element Long-Run Incremental Cost
14		("TELRIC") principles.
15		
16	П.	DESCRIPTION OF RHYTHMS' BUSINESS
17	Q.	PLEASE DESCRIBE THE TYPE OF SERVICES RHYTHMS
18		PROVIDES
19	A.	Rhythms is a nationwide provider of high-performance, high-speed data
20		xDSL-based services to customers at a reasonable price. xDSL-based services
21		are economical because they are deployed on the same copper loop ordinarily
22		used for local service between a customer's premises and the ILEC central
23		office, but provide high-speed data transmissions of up to 7 million bits per
24		second ("Mbps"). The acronym "xDSL" is used to describe the broad

1		category of DSL-based services available to customers offering a range of
2		performance characteristics.
3	Q.	PLEASE DESCRIBE THE NATURE OF RHYTHMS' BUSINESS.
4	A.	Unlike other data service providers, Rhythms does not focus solely on the
5		Internet service provider ("ISP") market, but instead will offer broad market
6		coverage - covering suburban areas as well as metropolitan areas - offering a
7		full range of services. Our services will be used for (1) the networking of
8		remote locations for, among other things, telecommuting or work-at-home
9		applications; (2) dedicated access to the Internet; and (3) dedicated "always-
10		on" access to intranet-type networking solutions. Rhythms will provide both
11		residential and business customers with a complete package of
12		telecommunications services including customer premises equipment, inside
13		wiring, premises installation, service calls, 24-hour technical support, and
14		billing. Through partnerships with other carriers and purchase of resold
15		services, Rhythms will be able to provide the customer with a full suite of
16		telecommunications services. Rhythms has been providing its services in
17		other states since December 1997, but has not yet begun offering DSL
18		services to customers in Florida markets.
19	Q.	WHAT ARE THE TECHNICAL BENEFITS OF xDSL
20		TECHNOLOGIES?
21	A.	xDSL-based services are deployed on an ordinary existing copper loop to
22		provide high-bandwidth digital transmission capabilities between the customer's
23		premises and the ILEC central office. By "high-bandwidth," I mean the amount
24		of information that can be carried on a circuit, usually expressed as bits per
25		second ("bps"), thousands of bits per second ("kbps"), or millions of bits per

second ("Mbps"). xDSL technologies provide service at a variety of

1		bandwidths, in some cases exceeding / Midps in one direction, but more
2		commonly at speeds between 128 kbps and 1.5 Mbps. In contrast, an analog
3		voice-grade "plain old telephone service," or "POTS" circuit provides very
4		limited throughput. Voice traffic occupies a narrow frequency spectrum, and
5		analog moderns currently used to carry data can support speeds of only 56 kbps
6		(and then only under ideal line conditions). DSL technologies allow service
7		providers like Rhythms to offer a variety of innovative high-bandwidth services
8		while efficiently using the legacy copper loop infrastructure of ILECs.
9	Q.	CAN EXISTING COPPER LOOPS SUPPORT MULTIPLE DSL-
10		BASED TECHNOLOGIES?
11	A.	Yes. Rhythms has had experience successfully deploying numerous types of
12		DSL-based services on copper loops, including Asymmetric Digital
13		Subscriber Line ("ADSL"), Rate Adaptive Digital Subscriber Line
14		("RADSL"), High bit rate Digital Subscriber Line ("HDSL"), Symmetric
15		Digital Subscriber Line ("SDSL") and ISDN Digital Subscriber Line
16		("IDSL").
17		•
18	III.	FACILITIES REQUIRED BY RHYTHMS TO PROVIDE xDSL-BASED
19		SERVICES
20	Q.	WHAT TYPE OF FACILITIES DOES RHYTHMS NEED TO
21		PROVIDE xDSL-BASED SERVICES?
22	A.	ADSL, RADSL, SDSL and HDSL require obtaining what are known as "clean
23		copper loops" from the ILEC. IDSL can be deployed on copper or
24		copper/fiber loops. I use the term "clean copper loop" to refer to a copper

; }

1		loop that is free of load coils, repeaters, and Digital Loop Carrier ("DLC")
2		systems. In addition, there are other devices or conditions on a loop that may
3		interfere with or preclude the provision of xDSL services over loops. Such
4		devices or conditions would not be present on a clean copper loop.
5		Additionally, Rhythms must purchase from ILECs numerous services and
6		unbundled network elements, such as collocation of Rhythms' equipment in
7		ILECs' central offices and dedicated transport, in order to offer its xDSL-
8		based services.
9	Q.	WHAT COMPANIES CAN PROVIDE THE FACILITIES AND
10		SERVICES RHYTHMS NEEDS TO PROVIDE ITS xDSL-BASED
11		OFFERINGS?
12	A.	Rhythms is entirely dependent on ILECs such as BellSouth, GTE and Sprint
13		for obtaining unbundled clean copper loops. Additionally, Rhythms must
14		obtain collocation space at the ILECs' premises and non-switched dedicated
15		transport from its collocation spaces to its backbone network in order to reach
16		all customers who request xDSL-based services. Consequently, absent
17		continued actions taken by this Commission, ILECs would have exclusive
18		control over how or even whether competition would develop in the provision
19		of DSL services.
20		If the ILECs were left as the sole arbiters of whether to provide xDSL
21		UNE loops to competitive carriers such as Rhythms, competition in the
22		provision of advanced services would simply disappear. Prior to the 1995
23		amendments to Chapter 364 and the enactment of the Federal
24		Telecommunications Act of 1996 when ILECs were not required to provide

1		unbundled loops, there was no competition in the provision of XDSL services.
2		There was no competition even though ILECs were aware of xDSL
3		technologies - most ILECs have used HDSL loops to provision T-1 services
4		for years - and could have made such technologies available to competitors.
5		Should ILECs be excused from having to provide xDSL loops at cost-based
6		rates, I absolutely believe that competition in the provision of xDSL services
7		would revert to its non-existent pre-1995 level.
8		
9	IV.	XDSL LOOPS SHOULD BE PRICED ACCORDING TO TELRIC
0		PRINCIPLES AND GEOGRAPHICALLY DEAVERAGED IN THE
1		SAME MANNER AS OTHER UNBUNDLED LOOP TYPES
2	Q.	DO YOU AGREE WITH THE ASSERTIONS OF BELLSOUTH
3		WITNESS DR. EMMERSON ON PAGES 22-23 OF HIS DIRECT
4		TESTIMONY THAT PRICING FOR UNES SHOULD BE MARKET
5		BASED?
6	A.	No. As I mentioned earlier, unbundled clean copper loops and collocation in
7		ILEC central offices are essential components for the provision of xDSL-
8		based services. However, there are no other providers for either of these other
9		than ILECs. Because these essential facilities are available only from a single
:0		provider, it would be ruinous for CLECs such as Rhythms if the Commission
:1		were to move from TELRIC to market-based pricing. Market-based pricing
.2		would work only if there is effective competition for the provision of an
3		essential service such as collocation and vDSI_UNF loops

1	Q.	DO YOU HAVE AN EXAMPLE OF THE TYPE OF PROBLEMS
2		THAT MARKET-BASED PRICING FOR UNES ADVOCATED BY DR.
3		EMMERSON WOULD CREATE?
4	A.	Yes. Within the last month, BellSouth has twice lowered the nonrecurring
5		charge for its tariffed ADSL offering without providing for a corresponding
6		reduction in its UNE ADSL non-recurring rates. On August 10, 1999
7		BellSouth announced that it was reducing its activation charges to \$99.95.
8		See Exhibit (EHG-2). On August 25, 1999 BellSouth again lowered its
9		non-recurring charge (NRC) for some of its DSL offerings to \$50.00. See
10		Exhibit (EHG-3). Yet, the non-recurring charge for installation of a single
1 <b>1</b>		UNE 2-Wire ADSL-compatible loop remains at \$359.73, plus an \$18.94
12		Manual Service Order charge and a \$34.22 Order Coordination for Specified
13		Time Conversion charge. This price discrepancy clearly places a price
14		squeeze on Rhythms. Moreover, in reducing the NRC for its tariffed retail
15		DSL service to \$50, BellSouth must implicitly be recognizing that the NRC
16		rates it has previously proposed to this Commission for its unbundled ADSL-
17		capable loops no longer accurately represent BellSouth's costs to provide such
18		loops.
19	Q.	ARE THERE WAYS IN WHICH THE ILECS ARE ATTEMPTING TO
20		EXPLOIT THEIR CONTROL OVER ESSENTIAL FACILITIES AND
21		SERVICES REQUIRED BY THE CLECS?
22	A.	Yes. GTE's and BellSouth's claims that UNEs should not be geographically
23		deaveraged until the Commission rebalances retail rates and develops explicit
24		universal service support mechanisms are nothing more than a thinly veiled

attempt to delay the introduction of pro-competitive cost-based deaveraged UNE rates. For example, one of GTE's proposals is that the Commission seek a waiver of the FCC's deaveraging rule until the Commission "can address all relevant issues simultaneously." GTE Direct Testimony of Dennis B. Trimble at 24. Similarly, BellSouth claims that "geographic deaveraging of UNEs should not be *considered* until the issues of universal service funding and rate rebalancing are adequately addressed." BellSouth Direct Testimony of Alphonso J. Varner at 29 (emphasis added). Moreover, BellSouth recognizes that it is likely that the Commission will be unable to establish a permanent universal service fund until 2001. Id. at 31.

The impact of such a lengthy delay in establishing geographically deaveraged loop rates would be particularly harmful to the development of competition in the provision of advanced services. While ILEC provision of advanced services today is not ubiquitous in the same manner as ILEC provision of voice services, the significant delay in determining deaveraged rates proposed by BellSouth and GTE, when combined with the price squeeze discussed above, would enable these ILECs to monopolize the advanced services market in Florida.

# Q. ARE THERE OTHER WAYS IN WHICH THE ILEC'S CONTROL OF LOCAL LOOPS GIVES THEM A COST ADVANTAGE OVER CLEC'S?

A. Yes. As Terry Murray explains in her Rebuttal Testimony, ILECs offer their xDSL services over the same line that is used to provide voice services, a practice known as "line sharing." However, ILECs do not permit CLECs such

1		as Rhythms to offer their DSL services over the same lines as the ILECs'
2		voice services. As explained by Ms. Murray, this practice is clearly
3		discriminatory.
4	Q.	GIVEN THE ILECS' CONTROL OVER LOCAL LOOPS, IS THE
5		MARKET BASED PRICING APPROACH FOR UNES
6		RECOMMENDED BY BELLSOUTH AND GTE APPROPRIATE?
7	A.	No. As more fully explained by Ms. Murray, this Commission should
8		continue to follow the FCC's TELRIC pricing methodology and should not
9		base pricing on market conditions, particularly when market conditions do no
10		reflect a competitive market for advanced services.
11	Q.	ARE THERE ANY OTHER CONSIDERATIONS THE COMMISSION
12		SHOULD TAKE INTO ACCOUNT WHEN DEAVERAGING
13		UNBUNDLED LOOPS?
14	A.	Yes. The Commission must clearly define each loop type that it requires be
15		geographically deaveraged. For example, the Commission should define 2-
16		wire and 4-wire xDSL-capable loops as 2-wire and 4-wire loops from a
17		customer premises to an ILEC Central Office, provisioned using copper
18		facilities from the customer premises to the ILEC Central Office. The loop (i)
19		will have no load coils, (ii) may contain minimal bridged taps (of up to 2,500
20		feet), (iii) will have no digital access main lines, (iv) will not traverse digital
21		loop carrier systems, (v) will have no length limitations, and (vi) may contain
22		repeaters at CLEC's option.

1	Q.	SHOULD ILECS BE ABLE TO CHARGE SO-CALLED
2		"CONDITIONING" CHARGES ASSOCIATED WITH xDSL-
3		CAPABLE LOOPS?
4	A.	No. Simply put, xDSL-capable loops are the simplest possible type of loop -
5		plain copper, not conditioned with any additional devices. Conditioning
6		charges should only apply where a CLEC requests the special conditioning -
7		i.e., the addition of devices - to a loop. Rhythms and other DSL providers do
8		not want any conditioning. With regard to the de-conditioning or removal of
9		devices, in a true forward-looking TELRIC model, such intervening devices
0		are not deployed on the loop plant. Therefore, ILECs should not be able to
1		charge for the removal of devices that would not exist in a forward-looking
12		loop plant.
13	Q.	ARE THE xDSL-CAPABLE LOOPS YOU DISCUSS THE SAME AS
4		THE xDSL-EQUIPPED LOOPS DISCUSSED BY E.SPIRE WITNESS
15		JAMCE C. FALVEY?
16	<b>A</b> .	No. The xDSL-capable loops I just defined are copper loops unencumbered
i 7		
18		by intervening equipment. The xDSL-equipped loops discussed by Mr. Falvey
		by intervening equipment. The xDSL-equipped loops discussed by Mr. Falvey are loops that contain Digital Subscriber Line Access Multiplexers
19		
		are loops that contain Digital Subscriber Line Access Multiplexers
19		are loops that contain Digital Subscriber Line Access Multiplexers  ("DSLAMs"). e.spire Direct Testimony of James C. Falvey at 16. While
19 20		are loops that contain Digital Subscriber Line Access Multiplexers  ("DSLAMs"). e.spire Direct Testimony of James C. Falvey at 16. While  Rhythms' business plan is predicated on its ability to obtain cost-based pricing
19 20 21		are loops that contain Digital Subscriber Line Access Multiplexers  ("DSLAMs"). e.spire Direct Testimony of James C. Falvey at 16. While  Rhythms' business plan is predicated on its ability to obtain cost-based pricing  for xDSL-capable loops, Rhythms purchases and collocates its own DSLAMs

1	Q.	WHAT IS YOUR RECOMMENDATION?
2	A.	The Commission should require Florida's ILECs to submit cost studies based
3		upon the FCC's TELRIC pricing methodology and including geographically
4		deaveraged loop costs for xDSL-capable loops, as I have defined such loops.
5	Q.	DOES THIS CONCLUDE YOUR TESTIMONY?
6	A.	Yes.
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Exhibit \_\_\_\_ (EHG-1)
Rhythms: Eric Geis
Docket No. 990649/TP

#### **BIOGRAPHY**

# ERIC GEIS, EXECUTIVE VICE PRESIDENT

Mr. Geis has more than 23 three years experience in the telecommunications industry. His career includes experience both in an operating telephone company and with suppliers of communications hardware & software to telephone companies and other major corporations. Mr. Geis was a founder of Rhythms, where he helped develop the business plan, negotiated the Interconnection Agreement with PacBell and was instrumental in setting up the companies first operation in San Diego, CA. Mr. Geis will be the GM of the Western Region.

Prior to joining Rhythms NetConnections Inc., Mr. Geis was President and CEO of Quintessential Solutions, a venture capital backed provider of WAN design, pricing and optimization software applications sold to long distance carriers, local exchange carriers, Regional Bell Operating Companies, Internet Service Providers, and large corporate accounts. After turning the company profitable in fifteen months, he continued to increase revenues and introduce new products. In 1989, he negotiated the sale of the company to a NYSE listed company at a multiple of future earnings.

Mr. Geis was also a founder, and President & CEO of TeleQuest, Inc., a telecom products company, which grew to \$27M in three years, providing unique telecom products to telephone companies and major retailers. Mr. Geis developed the business plan, which lead to the venture capital financing of the company. He also led TeleQuest to a successful IPO in 1986, underwritten by Saloman Brothers and Hambrecht & Quist.

Prior to that, Mr. Geis was Director of Product Management and Regional Sales Manager at American Telecommunications, Corp. a provider of high quality telecom hardware products to telephone companies, including AT&T, Sprint and MCI.

In his five years at CENTEL (now SPRINT), Mr. Geis held a variety of management positions, including Manager of Market Research, Director of Corporate Studies - Office of the President, and VP of Sales in the Illinois operation.

Mr. Geis serves as a Director of Net2000, a rapidly growing CLEC located in Vienna VA, which has been in operating since 1991, and has recently raised \$4.5 million in venture capital funding.

Mr. Geis holds a Bachelor of Science degree in marketing from the University of Bridgeport (CT) and an MBA from the University of Colorado.

Exhibit (EHG-2)
Rhythms: Eric Geis
Docket No. 990649-TP
Page 1 of 3

Page: 1

Subject: BLS: BellSouth Makes Unparalleled ADSL Service Price Move

Date: Tue, 10 Aug 1999 14:42:05 -0400 (EDT)
From: "BellSouth" <news@bellsouthcorp.com>

Reply-To: webmaster@bellsouthcorp.com
To: registered@bellsouthcorp.com

BellSouth Makes Unparalleled ADSL Service Price Move

Company Cuts Total Customer Cost of Acquiring BellSouth® FastAccessSM Service by Two-Thirds

For Immediate Release:

August 10, 1999

ATLANTA (August 10, 1999) - Advancing its position as a leader in delivering Internet and data services, BellSouth (NYSE: BLS) announced today it has lowered the total cost of BellSouth® FastAccessSM ADSL service, saving customers nearly \$200. Making an unparalleled region-wide price move, the company has significantly decreased the overall activation cost of one of the fastest consumer - and small business - focused DSL services in the Southeast to \$99.95.

For customers throughout the region who meet the necessary requirements, and order FastAccess service between Aug. 9, 1999 and Sept. 30, 1999, BellSouth will waive the standard \$199.95 installation fee. Monthly recurring charges for FastAccess service remain at \$59.95, or \$50.00 if customers subscribe to the BellSouth Complete Choice® plan on their residential phone line.

"We want to bring FastAccess ADSL service to every customer in the Southeast," said Alice McCall, vice president of strategy and marketing for

BellSouth Consumer Services. "At \$99 for activation, FastAccess is even more affordable for our customers - helping us realize our goal of delivering high-speed access at a great price."

Changes to the pricing structure for FastAccess service from Aug. 9 to Sept. 30 are outlined in the columns below:

Before August 9, 1999 August 9 - Sept. 30, 1999

Service activation \$99.95 \$99.95

ADSL modem \$0

> mallbox:/Macintosh%20HD/ System%20Folder/Preferences/

Exhibit \_\_\_(EHG-2) Rhythms: Eric Geis Docket No. 990649-TP Page 2 of 3

Page: 2

\$0

On-Site installation fee \$199.95 \$0 (waived)

Total Customer Cost \$299.90 \$99.95

Customers can order FastAccess service by calling 1-888-321-ADSL or visiting the Web site at www.bellsouth.net/external/adsl. When accessing the site, customers may also qualify their phone line for FastAccess service and complete their order request online. At the end of the order, customers will receive a message thanking them for ordering FastAccess service, as well as instructions for scheduling an installation appointment. A follow-up e-mail will also be sent to the customer requesting they call 1-888-321-ADSL to schedule an appointment, if they have not already done so.

"BellSouth has made it even more affordable for small business customers to

take advantage of the great benefits FastAccess ADSL service offers," said Dave Abrahamson, vice president of marketing for BellSouth Small Business Services. "FastAccess service allows small businesses to utilize high-speed

access for critical transactions and applications important to the success of their businesses."

For residential customers taking advantage of BellSouth® Solutions, the \$9.95 BellSouth Solutions savings reward will apply as long as the customer

has BellSouth FastAccess service and also subscribes to the BellSouth Complete Choice residential bill plan option. A BellSouth® Business Solutions savings of \$4.95 is available for all BellSouth FastAccess service customers subscribing to the BellSouth Complete Choice® for Business bill plan option.

BellSouth is a \$24 billion communications services company. It provides telecommunications, wireless communications, cable and digital TV, directory advertising and publishing, and Internet and data services to more than 35 million customers in 19 countries worldwide. Its telephone operations provide service over one of the most modern telecommunications networks in the world for more than 23 million telephone lines in a nine-state region that includes Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee. For more information on BellSouth, visit www.bellsouth.com, or for more information on BellSouth.net visit www.bellsouth.net.

###

For more information, contact:

Sue Holub 404-249-0036

> mailbox:/Macintosh%20HD/ System%20Folder/Preferences/

Wednesday, September 08, 1999

BLS: BellSouth Makes Unparalleled ADSL Service Price Move Exhibit \_\_\_(EHG-2) Rhythms: Eric Geis Docket No. 990649-TP Page 3 of 3

Page: 3

Rich Jeffers

NOTE: For more information about BellSouth, visit the BellSouth Web page at

http://www.bellsouth.com. Also, BellSouth news releases dating back one year are available by fax at no charge by calling 1-800-758-5804, ext. 095650.

A list of BellSouth Media Relations Contacts is available in the Corporate Information Center.

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& NOTICES

Exhibit \_\_\_(EHG-3) Rhythms: Eric Geis Docket No. 990649-TP



Rei-South & technological Services 404 927 7515

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Same Filter 1.00 As office of a Williams

August 25, 1999

Transmittal No. 517

Secretary Federal Communications Commission Washington, D.C. 20554

Attention: Common Carrier Bureau

The accompanying tariff material, issued by BellSouth Telecommunications, Inc. (hereinafter BellSouth), and bearing Tariff F.C.C. No. 1, is sent to you for publication in compliance with Section 61.49 of the Commission's rules and the requirements of the Communications Act of 1934, as amended.

Scheduled to become effective September 9, 1999, this publication consists of tariff pages as indicated on the following Check Sheets:

Tariff F.C.C. No.	
1	

Check Sheet No.
409th Revised Page 1
95th Revised Page 5
39th Revised Page 5.1
81st Revised Page 6
86th Revised Page 7

With this filing, BellSouth is reducing the nonrecurring charge and changing the terms and conditions by reducing the minimum period required per designated end-user premises and modifying the shortfall charge and termination liability calculations for low speed, BellSouth ADSL service. Additionally, BellSouth is adding references to Technical Publication TR-73612 for BellSouth ADSL service.

The original transmittal letter and check in the amount of \$630.00 were provided to US Delivery Systems Mid-Atlantic for delivery to Mellon Bank, Pittsburgh, Pennsylvania on August 25, 1999. Acknowledgment of receipt of this transmittal is requested. A duplicate letter is enclosed for this purpose.

August 25, 1999 Page 2

All official pleadings and related material concerning this filing may be directed to Mr. Richard Sbaratta, General Attorney, BellSouth Corporation, Suite 1700, 1155 Peachtree Street, Atlanta, Georgia 30309-3610 or faxed to Mr. Richard M. Sbaratta at (404) 249-2118.

All correspondence and inquiries in connection with this publication should be addressed to me at BellSouth Telecommunications, Inc., 34S91 BellSouth Center, 675 W. Peachtree Street, N.E., Atlanta, Georgia 30375.

Yours truly,

Dorothy Farmer

Tariff Administrator

Dorothy Farmer

TARIFF F.C.C. NO. 1 409TH REVISED PAGE 1 CANCELS 408TH REVISED PAGE 1

EFFECTIVE: SEPTEMBER 9, 1999

# ACCESS SERVICE CHECK SHEET

The Title Page and Pages 1 to 22-27 and Supplement Nos. 101 and 102 inclusive of this tariff are effective as of the date shown.

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BELLSOUTH TELECOMMUNICATIONS, INC.
BY: Operations Manager - Pricing
29G57, 675 W. Peachtree St., N.E.
Atlanta, Georgia 30375
ISSUED: AUGÚST 25, 1999

TARIFF F.C.C. NO. 1
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## REFERENCE TO OTHER PUBLICATIONS (CONT'D)

The following publications, referenced in this tariff, may be obtained from BellSouth Telecommunications, Inc., Regional Documentation Coordinator, 20th Floor, 600 North 19th Street, Birmingham, AL 35203.

TR-73575

Issued: February, 1994

Available: February, 1994

TR-73575. Addendum 1

Available: November, 1994 Issued: November, 1994

TR-73583

Issued: November, 1994 Available: September, 1994

TR-73592

Available: June, 1995 Issued: June, 1995

BellSouth Enhanced Originating Line Screening (EOLS) Service

Technical Reference

TR-73604

Issued: July, 1997 Available: August, 1977

TR-73606

Issued: April, 1998 Available: April, 1998

TR-73607

Issued: April, 1998 Available: April, 1998

TR-73608

Issued: April, 1998 Available: April, 1998

TR-73609

Available: April, 1998 Issued: April, 1998

TR-73611

Issued: April, 1998 Available: April, 1998

BellSouth ADSL Service

TR-73612

Issued: December, 1998 Available: December, 1998

(x) Issued under the authority of Special Permission 99-154

Certain material previously appearing on this page now appears on 1st Revised Page 75.2.1

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#### ACCESS SERVICE

# REFERENCE TO OTHER PUBLICATIONS (CONT'D)

The following technical publications, referenced in this tariff, may be obtained, and are available under a licensed protocol, from Northern Telecom, Attn.: Frank Vallone, 97 Humboldt Street, Rochester, N.Y. 14609.	(M) (M) (M)
Northern Telecom Document Q210-1 Version AIO7	(M)
NTDMS/CCIDAS System Application Protocol	(M)
Northern Telecom Document CSI-2300-07	(M)
Universal Gateway/Position Message Interface	(M)
Format Specification	(M)
Northern Telecom Document 355-00424	(M)
Gateway/Interactive Voice Subsystem	(M)
Protocol Specification	(M)

The following technical publication, referenced in this tariff, may be obtained from AT&T, P.O. Box 19901, Indianapolis, Indiana 46219.

AT&T Document 250-900-535, Issue 0003.00 Operator Services Position System Listing Service Issued: July, 1992 Available: July, 1992

Certain material now appearing on this page previously appeared on 10th Revised Page 75.2.

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EFFECTIVE: SEPTEMBER 9, 1999

#### ACCESS SERVICE

7 - Special Access (a.k.a. BellSouth SPA) Service (Cont'd)

## 7.2 Service Descriptions (Cont'd)

# 7.2.17 BellSouth ADSL Service (Cont'd)

# (H) (Cont'd)

- (2) The Telephone Company shall not be responsible to the customer or end-user if changes in any Telephone Company facilities, operations, or procedures utilized in the furnishing of BellSouth ADSL service render any facilities or equipment provided by a customer or end-user obsolete, or require modification or alteration of such equipment or system, or otherwise affects its use or performance. It is expressly declared that metallic facilities are in a continually decreasing supply and that the Telephone Company does not hold itself in a position to warrant their availability. Should Telephone Company initiated changes occur that render the exchange line facility incapable of transporting BellSouth ADSL service, the Telephone Company will not be required to continue the BellSouth ADSL service, and the customer will not be liable for any Termination Liability Charges (TLC).
- (3) The Telephone Company undertakes to maintain and repair the facilities which it furnishes. The customer or end-user may not rearrange, disconnect, remove or attempt to repair any equipment installed by the Telephone Company without prior written consent of the Telephone Company.
- (I) The customer is responsible for installation and/or testing of customer or end-user premises equipment or facilities to ensure that when connected to BellSouth ADSL service such end-user premises equipment or facilities operate properly.
  - (1) The customer shall or arrange for the end-user to cooperatively test with the Telephone Company as may be necessary.
  - (2) It shall be the responsibility of the customer and/or end-user to ensure the continuing compatibility of Customer Premises Equipment (CPE) at the end-user premises. The customer and/or end-user shall be responsible for any expenses incurred for required changes to customer and/or end-user equipment or facilities in order to make such equipment or facilities compatible with BellSouth ADSL service.
  - (3) If requested by the Telephone Company, the customer ordering BellSouth ADSL service must produce a letter of authorization from an end-user requesting that the customer obtain a high speed data connection to the end-user's premises using BellSouth ADSL service provided by the Telephone Company.
- (J) Technical Specifications Package

(N)(x)

Service specifications for BellSouth ADSL service are contained in Technical Reference TR-73612.

(N) (x)

(x) Issued under the authority of Special Permission 99-154

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EFFECTIVE: SEPTEMBER 9. 1999

#### ACCESS SERVICE

7 - Special Access (a.k.a. BellSouth SPA) Service (Cont'd)

## 7.4 Rate Regulations (Cont'd)

# 7.4.3 Message Station Equipment Recovery Charge\* (Cont'd)

Pursuant to CC Docket 83-1145 Memorandum Opinion and Order adopted by the Federal Communications Commission on November 8, 1984 and released on November 9, 1984, this charge is assessed only to those customers to which the Special Access (a.k.a. BellSouth SPA) Surcharge applies. The rate for the Message Station Equipment Recovery Charge is set forth in 7.5.10 following.

#### 7.4.4 Minimum Periods

The minimum service period for all services is one month except as specified following. The minimum service period for part-time and occasional Broadcast Quality Video (a.k.a. BellSouth SPA Broadcast Quality Video), DS3 Digital Video (a.k.a. BellSouth SPA DS3 Digital Video) and Program Audio (a.k.a. BellSouth SPA Program Audio) services is one day (i.e., a continuous 24-hour period, not limited to a calendar day). The minimum service period for ICB Services is specified in the Individual Case Basis Filing. The minimum service period for SMARTRing service (a.k.a. BellSouth SPA Dedicated Ring) is four months. The minimum service periods for LightGate service (a.k.a. BellSouth SPA Point to Point Network) are specified in 7.4.9 following. The minimum service period for DS1 Alternate Serving Wire Center Service is 12 months. The minimum service period for SMARTPath service (a.k.a. BellSouth SPA DS1 Shared Ring) is four months. The minimum service period for SMARTPath DS3 Transport (a.k.a. BellSouth SPA DS3 Shared Ring) service is 12 months. The minimum period for each BellSouth ADSL service VC at a data rate as (specified in 7.2.17(C)(1) and (2) is 6 months. The minimum period for each BellSouth ADSL service VC at a data rate as specified in 7.2.17(C)(3) through (6), and having a customer-specified payment period of less than 13 months, is 3 months.

\* Effective June 1, 1986, Special Access (a.k.a. BellSouth SPA) Message Station Equipment Recovery charges apply to WATS Access Lines (a.k.a. BellSouth SPA WATS Lines). On that date, the Telephone Company will begin to bill such charges for Special Access (a.k.a. BellSouth SPA) facilities used for WATS Access Lines (a.k.a. BellSouth SPA WATS Lines) presently in service. Payment of any message Station Equipment Recovery Charge billed on Special Access (a.k.a. BellSouth SPA) facilities used for WATS Access Lines (a.k.a. BellSouth SPA WATS Lines) in service as of June 1, 1986, may be deferred, without penalty, for up to ninety (90) days from the date of the first bill rendered for such message Station Equipment Recovery Charge.

"

BELLSOUTH TELECOMMUNICATIONS, INC. BY: Operations Manager - Pricing 29G57, 675 W. Peachtree St., N.E.

Atlanta, Georgia 30375 ISSUED: AUGUST 25, 1999 TARIFF F.C.C. NO. 1 2ND REVISED PAGE 7-103.23 CANCELS 1ST REVISED PAGE 7-103.23

EFFECTIVE: SEPTEMBER 9, 1999

#### ACCESS SERVICE

7 - Special Access (a.k.a. BellSouth SPA) Service (Cont'd)

## 7.4 Rate Regulations (Cont'd)

#### 7.4.29 BellSouth ADSL Service

(A) Monthly rates and nonrecurring charges apply as specified in 7.5.21 following, and reflect the cost of providing BellSouth ADSL service to the NSP customer, but do not reflect any additional incremental cost associated with providing service to customers of the NSP. The minimum initial period per BellSouth ADSL service Virtual Circuit (VC) specified in 7.2.17(C)(1) and (2), per end-user premises, is six months. The minimum number of VCs that may be ordered is 51.

The minimum initial period per BellSouth ADSL service Virtual Circuits (T) (VC) specified in 7.2.17(C)(3) through (6) and having a customer-specified payment period of less than 13 months, per end-user premises, is three months. The minimum number of VCs that may be ordered is 1.

(B) A monthly recurring rate will be billed to the customer for each end-user premises to which the customer has a VC established using BellSouth ADSL service. The initial monthly rate for data rate options specified in 7.2.17(C)(1) and (2) will be determined by the number of VCs to which the customer commits beginning with establishment of the customer account. The initial monthly rate for data rate options specified in 7.2.17(C)(3) through (6) will be determined by the payment period designated by the customer beginning with establishment of the customer account. The volume of service level designated by the customer for data rate options specified in 7.2.17(C)(1) and (2) cannot be lowered during the initial service period.

In addition to month-to-month (MTM) rates, customer-selected payment periods of from 13 to 24 months, and 25 months or greater, are available for data rate options specified in 7.2.17(C)(3) through (6). When the customer orders service for these data rate options, the customer must designate to the Telephone Company the commitment and optional payment period desired, e.g. 13 to 24 month payment period and a desired commitment period of 20 months.

Rates stabilized under customer-selected payment periods of from 13 to 24 months, and 25 months or greater, are exempt from Telephone Company-initiated increases. However, decreases will flow through to the customer. In the event that a VC is disconnected at customer request prior to completion of a customer-selected payment period in excess of 12 months, the customer will be required to pay a termination charge as specified in G following. The customer-designated payment period and commitment period may not be reduced, however, renewals of the existing data rate, at the same end-user premises are allowed at rates and terms and conditions appropriate for new service. The VC nonrecurring charges are not applicable for the renewed services.

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EFFECTIVE: SEPTEMBER 9, 1999

#### ACCESS SERVICE

7 - Special Access (a.k.a. BellSouth SPA) Service (Cont'd)

## 7.4 Rate Regulations (Cont'd)

ISSUED: AUGÚST 25, 1999

# 7.4.29 BellSouth ADSL Service (Cont'd)

# (B) (Cont'd)

Subsequent to the establishment of a customer-selected payment period longer than 12 months, and prior to completion of that period, the existing payment and commitment period may be replaced by a currently offered payment and commitment period having a length equal to or longer than the time remaining in the existing arrangement. The appropriate rates will be as if for new service. Nonrecurring charges will not be re-applied for these renewals, and no credit will be provided for payments made during the formerly selected period. Changes to a payment or commitment period with a length shorter than the existing arrangement will result in application of termination liability charges as specified in G. following. Recognition of previous service will not be a factor in determination of rates appropriate for a renewed arrangement.

- (C) For data rate options specified in 7.2.17(C)(1) and (2), customers specifying volume of service levels of from 51 to 40,000 VCs on billing accounts across the region will be allowed an initial period of twenty-four months, beginning with establishment of the first billing account, to attain the customer-specified volume level. Customers specifying a volume of service level of more than 40,000 VCs on billing accounts across the region will be allowed an initial period of thirty-six months from establishment of the first billing account to attain the customer-specified volume level.
- (D) For data rate options specified in 7.2.17(C)(1) and (2), a review by the Telephone Company of the quantity of VCs billed to each customer's billing accounts across the region will occur at the completion of the initial period appropriate for the customer-specified volume of service level. Beginning with completion of the twenty-four or thirty-six month initial period, or upon attainment of the customer-specified volume of service level, the product of a rate appropriate for the quantity of VCs verified on the last Friday of the prior month, multiplied by the corresponding quantity of VCs, will appear on the customer's monthly bill following the current month. In order to benefit from rates appropriate for higher volume of service levels, in the case of a customer surpassing their initial volume of service level commitment prior to completion of the twenty-four or thirty-six month initial period, the customer must notify the Telephone Company of that accomplishment.

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Certain material previously appearing on this page now appears on Original Page 7-103.24.0.1

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EFFECTIVE: SEPTEMBER 9, 1999

#### ACCESS SERVICE

7 - Special Access (a.k.a. BellSouth SPA) Service (Cont'd)

## 7.4 Rate Regulations (Cont'd)

# 7.4.29 BellSouth ADSL Service (Cont'd)

allo shor serv char comp numb leve betw of t quan comm	completion of the twenty-four or thirty-six month initial period wed for data rate options specified in 7.2.17(C)(1) and (2), tfall charges will apply for failure to attain the VC volume of ice commitment level designated by the customer. The shortfall ge will be an amount equal to the in-service quantity of VCs at letion of the initial period multiplied by 50%, multiplied by the er of initial period months appropriate for the volume of service l to which the customer subscribed, multiplied by the difference een the rate appropriate for the in-service quantity at completion he initial period and the rate appropriate for the committed tity. An example of the shortfall charge for a customer that its to 10,001 VCs but attains only 7,000 VCs, and having a \$4 erence in applicable rate, is as follows:
- 700	00 VCs x 50% x 24 months x \$4 = \$336,000
comm	tfall charges are reduced by 2.5% for each full percentage point nded to the closest whole number) above 60% of the customer's itment level that the customer achieved are applicable to the total tfall charge. No reductions will apply for VC guantities greater

than 100% of the customer-specified commitment level. An example of the shortfall reduction calculation is as follows:	(N)
- 7000 (customer achieved) divided by 10001 (customer specified commitment) and rounded to the closest whole number = 70% - Full percentage points above 60% of customer-specified commitment = 10 - 10 times 2.5% = 25%	(N) (N) (N) (N)
<ul> <li>25% of \$336,000 = reduction of \$84,000</li> <li>\$336,000 shortfall charge minus \$84,000 reduction = \$252,000</li> <li>\$252,000 is the reduced shortfall charge</li> </ul>	X X X X

Certain material appearing on this page previously appeared on 3rd Revised Page 7-103.24

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BELLSOUTH TELECOMMUNICATIONS, INC.
BY: Operations Manager - Pricing
29G57, 675 W. Peachtree St., N.E.

Atlanta, Georgia 30375 ISSUED: AUGUST 25, 1999 TARIFF F.C.C. NO. 1 1ST REVISED PAGE 7-103.24.1 CANCELS ORIGINAL PAGE 7-103.24.1

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#### ACCESS SERVICE

7 - Special Access (a.k.a. BellSouth SPA) Service (Cont'd)

#### 7.4 Rate Regulations (Cont'd)

## 7.4.29 BellSouth ADSL Service (Cont'd)

(F) A move charge applies for each BellSouth ADSL service moved to an end-user's new premises as designated by the customer. This charge is equal to the sum of all the nonrecurring charges applicable for a new installation of BellSouth ADSL service. If BellSouth ADSL service is available at the end-user's new premises as designated by the customer, no Termination Liability Charge is applicable when the service orders to install BellSouth ADSL service at the end-user's new premises and disconnect BellSouth ADSL service at the end-user's old premises are for the same end-user, both orders are related together, and there is no lapse in service between installation and disconnection of BellSouth ADSL service.

If a move of BellSouth ADSL service is requested by the customer to an end-user premises where BellSouth ADSL service is not available, the move request will be treated as a discontinuance of service at the old premises and the customer will remain responsible for satisfying minimum period obligations. If appropriate, a Termination Liability Charge as specified in (G) following will apply.

(G) For the data rate options specified in 7.2.17(C)(1) and (2), a Termination Liability Charge (TLC) is applicable for disconnection of a VC prior to completion of the minimum period at each end-user premises The appropriate charge is:

 Tariff
 (N'

 Reference
 Data Rate
 Charge
 (N'

 7.2.17(C)(1)
 256 Kbps x 1.5 Mbps
 \$ 50.00
 (N'

 7.2.17(C)(2)
 512 Kbps x 768 Kbps
 \$200.00
 (N'

TLC, as specified below, is applicable for data rate options specified in 7.2.17(C)(3) through (6) that have customer-selected payment periods greater than 12 months and that are disconnected prior to completion of the minimum period as specified in 7.4.4 preceding. The charge following is for termination of service specified in 7.2.17(C)(3) through (6) prior to completion of 13 months service for customer-selected payment periods equal to or greater than:

Minimum Downstream	Commitment	Period of:
<u>Data rate</u>	<u>13 Months</u>	25 Months
1.5 Mbps	\$200.00	\$ 400.00
2.0 Mbps	\$500.00	\$1000.00
4.0 Mbps	\$500.00	\$1000.00
384 Kbps	\$200.00	\$ 400.00

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# ACCESS SERVICE

7 - Special Access (a.k.a. BellSouth SPA) Service (Cont'd)

# 7.5 Rates and Charges (cont'd)

#### 7.5.21 BellSouth ADSL Service

- (A) Low Speed, Asymmetric Virtual Circuits
  - (1) Per Virtual Circuit, Downstream data rate up to 1.5 Mbps, Upstream data rate up to 256 Kbps

	VC Qua	intity	Nonrecurring Charge	Monthly Rate	
	<u>Minimum</u>	<u>Maximum</u>	Per VC	Per VC	<u>USOC</u>
(a)	51	500	\$50.00 (R)	\$45.00	ADF11
(b)	501	2,500	\$50.00 (R)	\$42.00	ADF12
(c)	2,501	5,000	\$50.00 (R)	\$37.00	ADF13
(d)	5,001	7,500	\$50.00 (R)	\$34.00	ADF14
(e)	7,501	10,000	\$50.00 (R)	\$32.00	ADF15
(f)	10,001	40,000	\$50.00 (R)	\$30.00	ADF16
(g)	40,000+		\$50.00 (R)	\$29.00	ADF17

(2) Per Virtual Circuit, Downstream data rate of at least 768 Kbps, Upstream data rate of at least 512 Kbps

	VC Qua	ntity	Nonrecurring Charge	Monthly Rate	
	<u>Minimum</u>	Maximum	Per VC	Per VC	<u>USOC</u>
(a)	51	500	\$300.00	\$134.00	ADF61
(b)	501	2,500	\$300.00	\$125.00	ADF62
(c)	2,501	5,000	\$300.00	\$116.00	ADF63
(d)	5,001	7,500	\$300.00	\$108.00	ADF64
(e)	7,501	10,000	\$300.00	\$101.00	ADF65
(f)	10,001	40,000	\$300.00	\$ 94.00	ADF66
(g)	40,000+		\$300.00	\$ 85.00	ADF67