

BELLSOUTH TELECOMMUNICATIONS, INC.
REBUTTAL TESTIMONY OF CYNTHIA K. COX
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 960786-TL
AUGUST 20, 2001

Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH
TELECOMMUNICATIONS, INC. ("BELLSOUTH") AND YOUR BUSINESS
ADDRESS.

A. My name is Cynthia K. Cox. I am employed by BellSouth as Senior Director for
State Regulatory for the nine-state BellSouth region. My business address is 675
West Peachtree Street, Atlanta, Georgia 30375.

Q. ARE YOU THE SAME CYNTHIA COX THAT FILED DIRECT TESTIMONY
IN THIS PROCEEDING ON MAY 22, 2001?

A. Yes. I filed direct testimony, including five exhibits.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my rebuttal testimony is to respond to the rebuttal testimony filed
on behalf of several parties in this proceeding. Specifically, I respond to portions
of the rebuttal testimonies of Mr. Rodney Page on behalf of ACCESS Integrated
Networks, Inc. ("ACCESS"), of Mr. Jerry Willis on behalf of NuVox

1 Communications, Inc. ("NuVox"), of Mr. Michael Gallagher on behalf of Florida
2 Digital Network ("FDN"), of Mr. Scott Sarem on behalf of Mpower and of
3 Messrs. Mark Argenbright and Greg Darnell filed on behalf of WorldCom, Inc.
4 ("WorldCom"), of Mr. Richard Guepe filed on behalf of AT&T Communications
5 of the South Central States, Inc. ("AT&T") and of Mr. Joseph Gillan, filed on
6 behalf of the Florida Competitive Carrier Association ("FCCA").
7

8 Q. HOW IS YOUR REBUTTAL TESTIMONY ORGANIZED?
9

10 A. My rebuttal testimony is structured into four sections: 1) General Comments; 2)
11 Status of Local Competition and Track A Compliance; 3) Specific requirements
12 of the Act or checklist item being addressed by the specific intervening party; and
13 4) Comments of intervening parties that do not relate to a specific checklist item.
14

15 **GENERAL COMMENTS**
16

17 Q. DO YOU HAVE ANY GENERAL COMMENTS REGARDING THE
18 TESTIMONY FILED ON BEHALF OF AT&T AND WORLDCOM?
19

20 A. Yes. As the Florida Public Service Commission ("FPSC") is aware, the purpose
21 of this proceeding is to address BellSouth's compliance with the requirements of
22 Section 271 of the Telecommunications Act of 1996 (the "Act"). As the FCC has
23 noted, at any point in time there will be new and unresolved interpretive disputes
24 about the precise content of an incumbent local exchange carrier's ("ILEC's")
25 obligation to its competitors, disputes that FCC rules have not yet addressed and

1 that do not involve per se violations of self-executing requirements of the Act.
2 (See SWBT Order-KS/OK¹ at ¶ 19). Requiring resolution of every interpretive
3 dispute would undermine Congress' intent to give Bell Operating Companies
4 ("BOCs") like BellSouth incentive to open its local market to competition. Thus,
5 it is not incumbent upon the Commission to resolve every interpretive dispute
6 raised by the alternative local exchange companies ("ALECs") in this proceeding.
7

8 Despite the explicit purpose of this proceeding, AT&T's and WorldCom's
9 witnesses have largely presented issues that have been addressed in arbitration or
10 generic proceedings before the FPSC and other state commissions in BellSouth's
11 region. In fact, in most cases, the FPSC has already issued its decision in these
12 arbitrations as to the appropriate resolution of these issues. Yet, in this
13 proceeding, AT&T and WorldCom seek to relitigate many of these same issues
14 by now arguing that the FPSC must revise its rulings on issues such that the FPSC
15 rules consistent with AT&T and WorldCom's position or must deny BellSouth's
16 271 application. Obviously, this is not the proceeding to relitigate arbitration
17 orders. Nor is it reasonable to suggest that because the FPSC has decided certain
18 issues in these arbitration dockets in a manner contrary to that advocated by
19 AT&T or MCI that BellSouth should be denied entry into the long distance
20 market. Therefore, I am not including the full discussion on issues that the FPSC
21 has decided or will decide in generic or arbitration dockets.
22

23 **STATUS OF LOCAL COMPETITION AND TRACK A COMPLIANCE**

24

¹ Joint Application by SBC Communications, Inc., d/b/a Southwestern Bell Long Distance for Provision of In-Region, InterLATA Services in Kansas and Oklahoma, CC Docket No. 00-217, Memorandum Report and Order (Released January 22, 2001) ("SWBT Order-KS/OK").

1 Q. PLEASE ADDRESS MR. GILLAN'S COMMENTS ON BELL SOUTH'S
2 TRACK "A" COMPLIANCE.

3
4 A. Mr. Gillan on behalf of the Florida Competitive Carriers Association ("FCCA")
5 appears to advocate a market test that BellSouth must meet prior to receiving
6 interLATA relief. The FCC has flatly rejected this approach. The requirements
7 that BellSouth must meet to be in compliance with Track A are found in Section
8 271(c)(1)(A) of the Act, which states in part:

9
10 Presence of a facilities-based competitor.—A Bell operating
11 company meets the requirements of this subparagraph if it has
12 entered into one or more binding agreements that have been
13 approved under Section 252 specifying the terms and
14 conditions under which the Bell operating company is
15 providing access and interconnection to its network facilities
16 for the network facilities of one or more unaffiliated competing
17 providers of telephone exchange service . . . to residential and
18 business subscribers.

19
20 Therefore, there is no market share test. BellSouth is only required to
21 demonstrate that facilities-based competition exists in Florida. As demonstrated
22 in Exhibit CKC-3 attached to my direct testimony, BellSouth meets the
23 requirements of Track A. Mr. Gillan provides no evidence that indicates
24 otherwise. In fact, he never specifically states that BellSouth is not in compliance
25 with Track A.

26
27 Q. WHAT AREAS OF CONCERN DOES MR. GILLAN HIGHLIGHT IN HIS
28 TESTIMONY WITH REGARD TO THE LEVEL OF COMPETITION IN
29 FLORIDA?

1
2 A. First, Mr. Gillan claims that resale is in rapid decline and that resale is not an
3 economically viable means of competition. Next, Mr. Gillan disputes BellSouth's
4 calculation of the number of ALEC facility-based lines. I will demonstrate that
5 his concerns in each of these areas are unfounded and do not refute BellSouth's
6 contention that it meets Track A requirements.

7
8 Q. IS MR. GILLAN'S DISCUSSION OF RESALE RELEVANT TO A
9 DISCUSSION OF TRACK A COMPLIANCE?

10
11 A. No. As explained earlier, Track A compliance requires that BellSouth have an
12 interconnection agreement with a carrier that is providing service to residential
13 and business customers, predominantly over its own facilities. BellSouth has
14 numerous such agreements. Mr. Gillan's discussion and concerns about resale
15 are, therefore, irrelevant to a Track A determination.

16
17 Q. IS RESALE COMPETITION, AS MR. GILLAN ALLEGES, IN RAPID
18 DECLINE?

19
20 A. No. Resale competition continues as a viable entry vehicle. However, the resold
21 lines that Mr. Gillan cites at Exhibit JPG-2 needs to be put on a comparable basis.
22 Mr. Gillan compares the resale volume from BellSouth's Form 477 filed with the
23 FCC for December 2000 with the resale volume presented for February 2001
24 from Exhibit VW-5 and for March 2001 from Exhibit WKM-9. As reported, this
25 information does exhibit a significant drop from December 2000. However,

1 while preparing its response to concerns regarding resale trends raised in other
2 states' 271 proceedings, BellSouth realized that it inadvertently overstated the
3 December 2000 resale volumes by incorrectly including the counts for UNE-Ps
4 ("Unbundled Network Element - Platforms"). The revised resale volume for
5 December 2000 is 202,780. Second, the February 2001 resale count presented
6 has recently been found to include 3,643 items that should not be included as
7 resold lines. Removing this slight overstatement leaves the adjusted resold line
8 count for February 2001 from Wakeling Exhibit VW-5 at 188,320. Finally, the
9 resold line count for March 2001 that Mr. Milner presented reflected only five
10 major resold categories from his Exhibit WKM-9. When all of the resold line
11 items in Exhibit WKM-9 are summed, the March 2001 total is 200,938.²

12
13 Q. ARE THERE ANY OTHER ADJUSTMENTS TO BELL SOUTH'S FIGURES?

14
15 A. Yes. These adjustments concern BellSouth ISDN lines. Only one Basic Rate
16 ISDN ("BRI") line was included in the original BellSouth line counts. The new
17 count uses a 2X multiplier to recognize potential B channels. Primary Rate ISDN
18 ("PRI") lines were not included in the original BellSouth line counts. In fact, PRI
19 lines are not counted today in the lines reported in BellSouth's financial reports.
20 The new count uses a 24X multiplier per PRI to treat as voice grade equivalents
21 ("VGEs"). The inclusion of BRI on a 2X and PRI on a 24X basis results in a
22 higher BellSouth line count. This decreases the ALEC market share estimate.

23
24 Note that the UNE loop counts BellSouth has included in its 271 ALEC line

² Mr. Milner's testimony cited resold lines associated with the primary Items 2, 18, 19, 27, and 28 from Exhibit WKM-9. Total resold lines reflected in WKM-9 need to also include Items 1, 3, 9, 14, 17, 24, 25, 33, and 34.

estimates treats all ALEC UNE loops, including DSL and DS1, as one line, not VGEs. This is one example of BellSouth's conservative approach to its ALEC line estimates in its 271 competition filings.

Q. DO YOU HAVE A REVISED SUMMARY OF TABLES 1 AND 2 OF WAKELING'S AFFIDAVIT TO REFLECT THE CHANGES DESCRIBED ABOVE?

A. Yes. As a result of the above revision, the estimate of ALEC market share has declined slightly to a range of 9.4% to 10.8%. The revisions are as follows:

TABLE 1

Summary - Original Filing	Res lines	Bus lines	Total lines
CLEC lines	220,680	614,724	835,404
BST lines	4,717,987	1,862,819	6,580,806
Total	4,938,667	2,477,543	7,416,210
CLEC % of Total lines	4.5%	24.8%	11.3%

Adjustments	Res lines	Bus lines	Total lines
CLEC Resold Bus line count error		(3,643)	(3,643)
BST adjustments for ISDN lines	3,352	314,264	317,616

Revised Summary	Res lines	Bus lines	Total lines
CLEC lines - Revised	220,680	611,081	831,761
BST;s lines - Revised	4,721,339	2,177,083	6,898,422
Total - Revised	4,942,019	2,788,164	7,730,183
CLEC % of Total lines	4.5%	21.9%	10.8%

TABLE 2

Summary - Original Filing	Res lines	Bus lines	Total lines
CLEC lines	220,682	497,496	718,178
BST lines	4,717,987	1,862,819	6,580,806
Total	4,938,669	2,360,315	7,298,984
CLEC % of Total lines	4.5%	21.1%	9.8%

Adjustments	Res lines	Bus lines	Total lines
CLEC Resold Bus line count error		(3,643)	(3,643)
BST adjustments for ISDN lines	3,352	314,264	317,616

Revised Summary	Res lines	Bus lines	Total lines
CLEC lines - Revised	220,682	493,853	714,535
BST,s lines - Revised	4,721,339	2,177,083	6,898,422
Total - Revised	4,942,021	2,670,936	7,612,957
CLEC % of Total lines	4.5%	18.5%	9.4%

Q. AFTER THESE REVISIONS, DOES RESOLD LINES IN FLORIDA INDICATE A SIGNIFICANT DECLINING TREND?

A. No. As indicated above, the adjusted resold line counts are 202,780 for December 2000, 188,320 for February 2001 and 200,938 for March 2001.³ These counts do not indicate a significant decline in total resale lines during the first quarter of 2001.

Q. DOES MORE RECENT RESALE ACTIVITY SINCE MARCH 2001 SUPPORT MR. GILLAN'S CLAIM OF "UNATTRACTIVE ECONOMICS"?

A. No. Resale continues as a viable strategy. One quarter later, in June 2001, there

³ The resold line total for February 2001 itself is conservative because it is the sum of resold lines for the ALEC's listed. BellSouth, as a practical expedient for its estimates and as labeled in its Exhibits, included ALECs having 40 or more lines.

1 are over 212,000 total resold lines. However, over these first two quarters of
2 2001, the number of UNE-P has almost doubled, apparently associated with a
3 migration to the facilities-based UNE-P offering, for business resold lines in
4 particular. Mr. Gillan would find this consistent with his view that "UNE-based
5 entry is the most likely path to bring competitive benefits to the average Florida
6 consumer or small business. UNE combinations, in particular, hold the most
7 promise in this regard." (Emphasis added) (See Gillan, lines 7-9, page 10). As an
8 example, ITC^DeltaCom, an ALEC in Florida, reported "The Company
9 successfully converted approximately 30,000 of its resale lines to BellSouth's
10 UNE-P during the first quarter of 2001 and, as a result, improved provisioning
11 and installation times for customers and improved margins for the Company."
12 (See "ITC^DeltaCom Reports First Quarter 2001 Results" dated May 2, 2001, at
13 page 2).

14
15 Moreover, the long-term migration from resale service to facilities-based
16 competition has been anticipated as competition matures. For example, the
17 Association for Local Telecommunications Service ("ALTS")⁴ indicated: "The
18 amount of resale competition is expected to decline as ALECs continue to build
19 their networks." Additionally, Professor Marius Schwartz, affiant-economist for
20 the DOJ, referring to UNEs and resale, wrote: "...such entry modes can assist and
21 accelerate the transition to full-facilities competition, by allowing entrants to
22 attain a customer base before being forced to build extensive facilities." (See ¶50,
23 Affidavit of Dr. Marius Schwartz on behalf of the United States DOJ, May 14,
24 1997, Re: Bell Atlantic 271 filing).

⁴ ALT'S Annual Report on the State of the Local Telecom Industry, 2001; Released March 13, 2001, Page 12.

1
2 The evidence presented in BellSouth's Exhibits VW-5 and VW-7 demonstrates
3 that flexibility and diversity in market entry approaches described above is strong
4 in Florida. These exhibits provide clear and direct evidence of different ALEC
5 combinations of resale and facilities-based service and different combinations of
6 leased and self-provisioned "last mile" customer connections in Florida. In
7 summary, resale remains a viable and significant local entry strategy in Florida
8 and elsewhere and any recent moderation in growth is consistent with long run
9 expectations of migration to facilities-based alternatives, including UNE-P.
10

11 Q. DO YOU AGREE WITH MR. GILLAN'S CRITICISMS OF THE ALECS'
12 FACILITIES-BASED LINES ESTIMATE FROM BELL SOUTH'S METHOD
13 ONE AND METHOD TWO? EXPLAIN.
14

15 A. No. Mr. Gillan develops his own flawed metric to inaccurately challenge
16 BellSouth's estimates. Under BellSouth Method One, all of each ALEC's
17 indicators of its number of facilities-based lines are considered. These indicators
18 for each ALEC include: its number of E911 Listings, its UNEs (loop and UNE-
19 Ps) and third, its total interconnection trunks. Each ALEC may have data in one,
20 two or all of these three indicator categories depending on which customer
21 markets the ALEC serves and the mix of facilities the ALEC decides to use. Mr.
22 Gillan's rework of BellSouth's estimates disregards without comment the ALEC
23 E911 Listings provided. These ALEC E911 listings are significantly higher than
24 the UNE loops and UNE-P that he does adopt from Exhibit VW-7 and displays at
25 Gillan Exhibit JPG-1. In challenging the BellSouth's facilities-based lines

1 estimate Mr. Gillan must ignore the E911 Listings that ALECs themselves report
2 because it directly refutes his reworked estimate of ALEC facilities-based lines.
3 At Exhibit JPG-5, Mr. Gillan offers an alternative range of 29,313 to 233,211 for
4 ALEC facilities-based lines. However, the 470,186 ALEC E911 listings from
5 Exhibit VW-7, minus the 106,619 UNE loops, proves that there are at least
6 363,567 ALEC facilities-based lines even before incorporating the other evidence
7 that BellSouth also considers in its Method One process.⁵ Instead, Mr. Gillan's
8 alternative estimate of ALEC facilities-based lines has incorrectly relied on 9.5%
9 of the total ALEC interconnection trunk data from BellSouth's Exhibit VW-7.
10 Mr. Gillan's missteps, in regard to his alternative estimate, are discussed in
11 greater detail below. Note, however, that Mr. Gillan does not directly challenge
12 either the ALECs' own E911 Listings or UNE loops or UNE-Ps and also does not
13 challenge the ALECs identified in BellSouth's exhibits. Mr. Gillan does not
14 directly address or propose any adjustments to BellSouth's Method Two, ALEC
15 line estimate. Instead of directly challenging BellSouth's Method Two result, Mr.
16 Gillan side steps it by applying his own calculated alternative to the average of the
17 BellSouth's Method One and Two results.⁶ Nonetheless, while Mr. Gillan does
18 take issue with BellSouth's estimates of ALEC market share, even his own
19 alternative estimates at JPG-5 serve to confirm that BellSouth meets the Act's
20 Track A requirement and nowhere does Mr. Gillan assert that BellSouth fails to
21 meet the Track A requirement.

⁵ Unlike UNE loops, UNE-Platforms should not be subtracted from the count of ALEC E911 listings because ALECs would not be registering E911 listings for UNE-Ps whose listings are maintained by BellSouth. UNE loops, for which ALECs' switches provide dial tone, would be associated with ALECs' E911 listings. Other ALEC E911 listings beyond UNE loops would be associated with facilities-based end user connections that the ALECs provide themselves.

⁶ See Mr. Gillan's footnote 1 at Exhibit JPG-1 and the fact that the 10.6% ALEC share in the JPG-1 Table is the average of BellSouth's own 11.3% (Method One) and 9.8% (Method Two) estimates.

1 Q. ARE MR. GILLAN'S "CORRECTED" ESTIMATES BASED ON HIS
2 ADJUSTMENTS TO BELL SOUTH'S TRUNK DATA VALID?

3
4 A. No. Mr. Gillan's revisions lead to results for facilities-based lines that are
5 contradicted by other ALEC data included in BellSouth's 271 submission. To
6 estimate ALEC Originating trunks in Exhibit JPG-4 Mr. Gillan makes an
7 adjustment to the total trunks: "...to eliminate the effect of ISP customers ...the
8 analysis reduced the number of interconnection trunks by the number of trunks
9 used to serve terminating traffic..." Mr. Gillan presents an estimate of 33,983
10 Originating Trunks at row "d" in Exhibit JPG-4. However, Mr. Milner's
11 testimony at the top of page 20 reported that BellSouth had provisioned 132,850
12 trunks from ALECs' switches to BellSouth switches in Florida and 64,132 two-
13 way trunks (including transit trunks) to ALECs in Florida. Mr. Gillan has
14 previously cited the corresponding numbers from Mr. Milner's testimony in
15 Mississippi and there applied his Line "b" reduction (for ISP) only to BellSouth-
16 ALEC two-way trunks. Mr. Gillan's inconsistent approach in Florida has resulted
17 in an originating trunk count that is approximately 25% of actual originating
18 trunks. This first error necessitates that Mr. Gillan adopt a line-to-trunk ratio of
19 at least 3.14 to avoid a negative result for his alternate estimate of ALEC
20 facilities-based lines. Accordingly, he adopts, without citing any supporting
21 network justification, [a line-to-trunk ratio] "...substantially more aggressive than
22 that used by BellSouth: a 4-to-1 ratio and a 10-to-1 ratio." Mr. Gillan's
23 introduction of a 10-to-1 line-to-trunk ratio is much higher than to the other line-
24 to-trunk ratios in his testimony on behalf of SECCA, in other state 271

1 proceedings used to benchmark BellSouth estimates.⁷ Of course, Mr. Gillan can
2 afford the use of high new 10-to-1 line-to-trunk ratio after his erroneous
3 calculation, at Line “b” of Exhibit JPG-4, that made his estimated Originating
4 Trunks one-tenth of their actual total amount.⁸ Mr. Gillan provides no
5 independent information from his FCCA ALEC member networks to corroborate
6 his alternate facilities-based estimate at JPG-5. It is clear however, that his
7 alternate estimate would be a nonsensical negative number if he applied the same
8 line-to-trunk ratios from his testimony in Alabama, Louisiana or Mississippi.
9 Second, as demonstrated earlier, the ALECs’ E911 listings provided in BellSouth
10 Exhibits VW-7 and VW-8 alone establish that there are over 363,000 facilities-
11 based lines in Florida in February 2001. Mr. Gillan does not challenge or offer
12 any explanation to reconcile the ALECs’ own E911 listings with his alternative
13 estimates. Finally, the actual line-to-trunk ratio reflected in BellSouth’s Exhibit
14 VW-7 is 1.44 lines per total interconnection trunk, i.e., 1.44:1. This actual ALEC
15 ratio is based on dividing the sum of ALEC E911 listings by the sum of total
16 interconnection trunks for those same ALECs. BellSouth’s Method One has
17 consistently applied and characterized as conservative a 1-line-to-1-trunk ratio in
18 all its 271 state filings throughout its 9 state region. This actual 1.44-to-1 ratio in
19 Florida that uses total ALEC interconnection trunks strongly argues against the
20 validity of Mr. Gillan’s inconsistent and unsubstantiated set of adjustments as
21 applying this to his revised interconnection trunk estimate would produce a
22 negative number of facilities-based lines.

⁷ For SECCA, Mr. Gillan applied a 2:1 ratio in Alabama (pg. 17, June 5, 2001), applied a 2:1 ratio in Louisiana (pg. 11, June 8, 2001), applied a 1:1 line:trunk ratio in Mississippi (pg. 12, July 2, 2001), applied a 4:1 ratio in Kentucky (pg. 15, July 9, 2001), applied a 4:1 ratio in South Carolina (pg. 16, July 9, 2001), and applied a 4:1 ratio in Georgia (pg. 12, July 16, 2001) .

⁸ Gillan, top of page 16, “Even with the much higher ratio of 10-to-1, however, ALEC facilities-based market share would only be approximately 2.2% of the market.”

1
2 Q. MR. GILLAN CONTENDS THAT BELL SOUTH'S ACCESS LINES USED TO
3 CALCULATE THE ALEC MARKET SHARE PERCENTAGE SHOULD BE
4 ADJUSTED. ARE SUCH ADJUSTMENTS THE COMMON PRACTICE?

5
6 A. No. Neither the FCC nor other 271 applicants nor ALTS make such adjustments
7 in citing ALEC market share. Of course, it is important to remember that there is
8 no ALEC line share threshold established in the 1996 Act. Nonetheless, at pages
9 11-12, referring to BellSouth's access lines, Mr. Gillan contends "...to accurately
10 compare ALEC lines to BellSouth lines requires that *all* of BellSouth's lines be
11 included..." In his testimony, Dr. Taylor explains his disagreement with Mr.
12 Gillan's suggestion regarding BellSouth's access lines. It is clear, however, that
13 the ranges of ALEC market shares presented for BellSouth's area in Florida (i.e.,
14 9.8% to 11.2%) are consistent with and exceed the level of other successful 271
15 applicants and are calculated in a similar manner. For example, the New York
16 ALEC market share for Verizon (formerly Bell Atlantic) was approximately
17 7.3% at the time of its 271 application. BellSouth in Florida also exceeds the
18 level of ALEC market share for SBC-Texas (8.1% - 8.4%), Kansas (9.0% -
19 9.5%), and Oklahoma (5.5% - 6.3%) in their successful 271 Applications.⁹ In its
20 last two annual reports, ALTS, the major ALEC industry group, has reported its
21 national ALEC market share on the same basis that BellSouth, other 271
22 applicants and the FCC uses. At page 9 of the 2001 edition of the ALTS Annual
23 Report, the ALEC market share reported uses the local access line amount that
24 closely approximates (within approximately 1%) the FCC's Table 6 amounts for

⁹ If available for other 271 Applicants, ALEC market share estimates shown above are for the two most comparable estimation methods with BellSouth. SBC-Missouri's filing presented estimates of 8.7% - 9.2%.

1 the sum of state market share lines. Mr. Gillan's call to redefine the ILEC base in
2 the market share calculation is unjustified and contrary to precedent and practice.

3
4 Q. DOES MR. GILLAN OFFER ANY OF ITS OWN INFORMATION, EVEN IN
5 THE AGGREGATE, AS A BASIS TO CHALLENGE BELLSOUTH'S ALEC
6 LINE ESTIMATES?

7
8 A. No. Mr. Gillan chooses only to rework BellSouth's estimates. In his rebuttal
9 testimony Mr. Gillan does not offer any information on local lines of FCCA
10 members, even in the aggregate. Of course, nearly 90% of the total facilities-
11 based lines in BellSouth's Method Two (Exhibit VW-7) estimate rely on the E911
12 listings that ALECs themselves report to the E911 database contractor. The
13 remaining 10% of the Method Two facilities-based lines estimate is comprised of
14 UNE-Ps leased from BellSouth. Mr. Gillan does not directly challenge either the
15 E911 listings or the UNE-P information from BellSouth's estimates.

16
17 Q. DOES BELLSOUTH'S EVIDENCE INDICATE THAT LOCAL
18 COMPETITION IS SIGNIFICANT IN FLORIDA?

19
20 A. Yes. In fact, Mr. Gillan does not contend that BellSouth has failed to meet the
21 Track A requirements of the Act. Mr. Gillan does not challenge the ALECs
22 identified, nor the ALECs' own E911 listing data, or the number of ALECs'
23 UNE-Ps that comprise BellSouth's Method Two estimate. That conservative
24 method shows that ALECs are serving at least 9.8% of the local access lines in
25 BellSouth's area in Florida at the end of February 2001. This conservative lower

1 estimate includes data for 45 facilities-based ALECs, with over two-thirds of
2 these also providing facilities-based service to residences.

3
4 Q. DOES ANY PARTY CHALLENGE BELL SOUTH'S USE OF ALECS' E911
5 LISTINGS TO ESTIMATE ALEC LINES?

6
7 A. Yes. Mr. Gallagher, with Florida Digital Network ("FDN"), suggests that the
8 E911 database may not be current with regard to ALEC listings. Specifically, Mr.
9 Gallagher asserts "...tabulations from the E911 database will be overstated unless
10 the database is regularly updated to remove CLEC customers disconnected for
11 nonpayment or other reasons..." (See FDN, lines 21-23, at page 5, and lines 1-2,
12 at page 6). BellSouth is not in a position to evaluate such general skepticism
13 expressed by FDN that the ALEC industry generally may not be diligent in
14 keeping their E911 listings current in the database. BellSouth presumes ALECs
15 exercise the same diligence as BellSouth does, recognizing the extreme
16 importance of 911 listings for public safety.

17
18 Q. DOES MR. GALLAGHER OFFER ANY OTHER BASIS TO CHALLENGE
19 BELL SOUTH'S ESTIMATES OF ALEC LINES?

20
21 A. Yes. At the top of page 6, Mr. Gallagher states that "BellSouth's estimate that
22 CLECs serve 24.8% or 21.1% of the business sector simply is inconsistent with
23 FDN's observation and experience in the marketplace." Mr. Gallagher describes
24 very briefly a two percent sample evaluated in one central office (Magnolia) in
25 Orlando and which led it to conclude that ALECs serve approximately 7.2% of

1 the market. At best, Mr. Gallagher's analysis is non-scientific or not statistically
2 valid. He also provides no supporting documentation and uses one central office
3 as his base. I also would note that BellSouth's Exhibit VW-4, the FPSC staff's
4 survey of ALECs in Florida, released December 2000, showed that as of June
5 2000 ALEC business penetration in the Orlando exchange was "25% - 30%". (See
6 Exhibit VW-4, Table 3.5 for "Total ALEC Bus. Providers" for Orlando, at page
7 42).

8
9 Q. CAN BELL SOUTH PROVIDE ANOTHER EXAMPLE TO REFUTE MR.
10 GALLAGHER'S ASSERTION THAT ITS ESTIMATES ARE OVERSTATED?

11
12 A. Yes. FDN's own News Release "Florida Digital Network Secures \$130 Million
13 in New Financing" dated June 14, 2001 (Retrieved from
14 <http://www.floridadigital.net/news/news.cfm?id=49>) reports "FDN currently has
15 over 50,000 business telephone lines in service and is growing by approximately
16 1000 customers per month." (Emphasis added). FDN operates in five of the six
17 Florida MSA's that are in BellSouth's service area, with Tampa being the
18 exclusion. BellSouth's Exhibits VW-5 and VW-6 (confidential version) filed
19 with the FPSC before FDN's disclosure presents an estimate of lines for FDN that
20 is significantly lower than the total FDN has declared. In this instance, FDN's
21 own data provides an example that should alleviate any concerns regarding
22 possible overstatement in BellSouth's estimates. Further, despite Mr. Gallagher's
23 discussion on competition in Florida, he never asserts that BellSouth fails to meet
24 the Act's Track A requirement.

1 Q. DOES OTHER RECENT ALEC INFORMATION PROVIDE EVIDENCE
2 REGARDING THE *TREND* OF LOCAL COMPETITION IN FLORIDA?

3
4 A. Yes. Competition for both residence and business show strong growth. The most
5 recent ALEC E911 listings in BellSouth's area provide a simple and direct
6 comparison regarding ALEC trends. The total of ALEC E911 *residence class*
7 listings for June represents a 45% compound annual growth rate over the four
8 months February (data month for BellSouth's ALEC estimates) to June 2001.
9 The total of ALEC E911 *business class* listings for June represents a 66%
10 compound annual growth rate over the four months February to June 2001.
11 Growth in ALECs' E911 listings reflects a rise in facilities-based lines in
12 particular. This data shows that Mr. Gallagher's concerns regarding the number
13 of ALECs experiencing financial difficulties is resulting in fewer lines being
14 served by ALECs.

15
16 Q. DOES BELL SOUTH, IN FLORIDA, MEET THE SPECIFIC REQUIREMENTS
17 FOR TRACK A UNDER THE ACT?

18
19 A. Yes. In summary, BellSouth's Method Two, Exhibits VW-6 and VW-8,
20 identifies 45 unaffiliated facilities-based ALECs that, conservatively, serve an
21 aggregate of at least 128,000 residence and 397,000 business lines in BellSouth's
22 service area in Florida. These 45 ALECs identified in Method Two, Exhibits
23 VW-6 and VW-8, that predominantly provide service on a facilities-basis also
24 serve approximately 19,000 residential and approximately 80,000 business resold
25 lines. Thus, BellSouth's conservative Method Two, by itself, establishes that

1 BellSouth has met the Act's Track A requirements.

2
3 Q. ON PAGE 3, MR. GILLAN STATES, "THE MOST LIKELY EFFECT OF
4 BELLSOUTH'S GAINING INTERLATA AUTHORITY WOULD BE FOR IT
5 TO GAIN EVEN GREATER DOMINANCE IN THE FUTURE." PLEASE
6 COMMENT.

7
8 A. I disagree. BellSouth's gaining interLATA authority, given all the requirements
9 and performance safeguards established, will not impede further local
10 competition. Contrary to Mr. Gillan's projections, the FCC has recently provided
11 striking evidence that, in fact, local competition has been dramatically stimulated
12 in the two states that received the earliest interLATA service authorization. (*See*
13 Exhibit CKC-6). In its May 21, 2001 News Release and Local Telephone
14 Competition Status as of December 31, 2000, the FCC reported:

15
16 CLECs captured 20% of the market in the state of New York –
17 the most of any state. CLECs reported 2.8 million lines in New
18 York....- an increase of over 130%, from the time the FCC
19 granted Verizon's long distance application in New York in
20 December 1999 to December 2000.

21
22 CLECs captured 12% of the market in Texas, gaining over a
23 half-a-million (644,980) end-user lines in the six months since
24 the Commission authorized SBC's long distance application in
25 Texas – an increase of over 60% in customer lines since June
26 of 2000.

27
28 CLEC market share in New York and Texas (the two states
29 that had 271 approval during the reporting period ending in
30 December 2000) are over 135% and 45% higher than the
31 national average, respectively.

32
33 Consequently, there is recent direct evidence that gaining interLATA authority

1 will stimulate, rather than impede, local competition.

2
3 **CHECKLIST ITEM 1**
4

5 Q. MR. ARGENBRIGHT, ON PAGES 5-11, ARGUES WORLDCOM'S
6 POSITION ON POINT OF INTERCONNECTION. HAS THIS COMMISSION
7 PREVIOUSLY RULED ON THE POINT OF INTERCONNECTION ("POI")
8 ISSUE AS PRESENTED BY MR. ARGENBRIGHT?

9
10 A. Yes, partially. This issue was presented to the FPSC in Docket No. 000649-TP
11 ("MCI WorldCom Arbitration") and in its subsequent Order issued March 30,
12 2001 the FPSC found:

13
14 WorldCom, as the requesting carrier, has the exclusive right
15 pursuant to the Act, the FCC's Local Competition Order and
16 FCC regulations, to designate the network point (or points) of
17 interconnection at any technically feasible point for the mutual
18 exchange of traffic.

19
20 However, while we acknowledge that BellSouth's FCC-
21 mandated obligation to deliver its originated traffic to ALEC-
22 designated POIs raises troubling issues of compensation and
23 definition, we find that the record in the proceeding is inadequate
24 to support resolution of these issues. We note that these issues
25 will be addressed in our generic docket on reciprocal
26 compensation, Docket No. 000075-TP.
27 (Pages 78-79).
28
29

30 Q. IS THE POINT OF INTERCONNECTION ISSUE AS DISCUSSED BY MR.
31 ARGENBRIGHT THE SAME ISSUE PRESENTED IN THE MCI
32 WORLDCOM ABITRATION?
33

1 A. Yes. WorldCom, through the testimony of Mr. Argenbright, has presented no
2 new evidence that should lead this Commission to reach a different conclusion
3 here. As stated previously, the FPSC has determined that an ALEC may
4 determine the point of interconnection within a LATA. The issue of whether an
5 ALEC must compensate BellSouth for delivering its originating traffic to a distant
6 point of interconnection will be addressed in the FPSC's Order Docket No.
7 000075-TP (Phase II). The current schedule in this docket anticipates a Staff
8 Recommendation on August 23, 2001 and a Commission Agenda vote on
9 September 6, 2001.

10
11 Q. HOW HAVE STATE COMMISSIONS IN THE BELL SOUTH REGION
12 ADDRESSED THIS ISSUE?

13
14 A. The South Carolina and North Carolina Commissions have ruled consistent with
15 BellSouth's position on this issue. In the South Carolina AT&T Arbitration
16 Order¹⁰, the Commission concluded that "while AT&T can have a single POI in a
17 LATA if it chooses, AT&T shall remain responsible to pay for the facilities
18 necessary to carry calls from distant local calling areas to that single POI." (See
19 page 28). In the North Carolina AT&T Arbitration Order¹¹ the Commission
20 ordered that "AT&T may designate its own points of interconnection (POI) with
21 BellSouth Telecommunications, Inc.'s (BellSouth's) network. Further, if AT&T
22 interconnects at points within the local access and transport area (LATA) but

¹⁰ *Petition of AT&T Communications of the Southern States, Inc. for Arbitration of Certain Terms and Conditions of a Proposed Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to 47 U.S.C. Section 252, Order on Arbitration*, Released January 30, 2001 ("AT&T Arbitration Order").

¹¹ *Arbitration of Interconnection Agreement Between AT&T Communications of the Southern States, Inc., and TCG of the Carolina, Inc., and BellSouth Telecommunications, Inc., Pursuant to the Telecommunications Act of 1996, Order Ruling on Objections and Requiring the Filing of the Composite Agreement*, Released March 9, 2001, ("AT&T Arbitration Order").

1 outside BellSouth's local calling area from which traffic originates, AT&T should
2 be required to compensate BellSouth for, or otherwise be responsible for,
3 transport beyond the local calling area." (See Page 1). Further, in the Sprint
4 Arbitration Order¹² in North Carolina, the NCUC found that "Sprint may
5 designate its own points of interconnection (POIs) with BellSouth's network.
6 Further, if Sprint interconnects at points within the local access and transport area
7 (LATA) but outside of BellSouth's local calling area from which traffic
8 originates, Sprint should be required to compensate BellSouth for, or otherwise be
9 responsible for, transport beyond the local calling area." (See page 3).

10
11 The Kentucky Commission has ruled in the AT&T arbitration that AT&T may
12 establish a minimum of one point of interconnection per LATA but must establish
13 another POI when the amount of traffic reaches a DS3 level. The issue is pending
14 in the remaining BellSouth states.

15
16 Q. NOTWITHSTANDING MR. ARGENBRIGHT'S TESTIMONY, DOES
17 BELL SOUTH PROVIDE A SINGLE POINT OF INTERCONNECTION IN
18 COMPLIANCE WITH SECTION 271 OF THE ACT?

19
20 A. Yes. BellSouth allows ALECs to interconnect at a single point in each LATA if
21 they so desire in compliance with checklist item 1. The requirement of the Act, as
22 interpreted by the FCC in its section 271 decision, is that a BOC provide "a single
23 interconnection point within a LATA." SWBT Order-TX¹³, "[w]e note that in

¹² *Petition of Sprint Communications Company L.P. for Arbitration with BellSouth Telecommunications, Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996, Recommended Arbitration Order*, Released July 5, 2001, ("Sprint Arbitration Order").

¹³ *Application by SBC Communications, Inc., Southwestern Bell Telephone Company, and Southwestern Bell Communication Services, Inc. d/b/a Southwestern Bell Long Distance Pursuant to Section 271 of the*

1 SWBT's interconnection agreement with MCI (WorldCom), WorldCom may
2 designate 'a single interconnection point within a LATA.' Thus, SWBT provides
3 WorldCom interconnection at any technically feasible point, and section 252(i)
4 entitles AT&T, or any requesting carrier, to seek the same terms and conditions as
5 those contained in WorldCom's agreement, a matter any carrier is free to take up
6 with the Texas Commission." (§ 78). Also, in the SWBT Order-KS/OK, the FCC
7 concluded "SWBT provides interconnection at all technically feasible points,
8 including a single point of interconnection and therefore demonstrates compliance
9 with the checklist item." (§ 232). Finally, in the Verizon Massachusetts Order¹⁴,
10 the FCC concluded "Verizon provides interconnection at all technically feasible
11 points, including a single point of interconnection, and therefore demonstrates
12 compliance with the checklist item." (§ 197). As evidenced by its interconnection
13 agreements, BellSouth provides ALECs with a single point of interconnection,
14 just as Verizon and SWBT do. Thus, irrespective of Mr. Argenbright's testimony,
15 BellSouth is in compliance with checklist item 1.

16
17 Q. PLEASE DESCRIBE BELLSOUTH'S UNDERSTANDING OF THE
18 "TANDEM PROVIDER ISSUE" DISCUSSED IN MR. ARGENBRIGHT'S
19 TESTIMONY (PAGES 14-17).

20
21 A. WorldCom wants access traffic to be delivered to BellSouth over WorldCom's
22 local interconnection trunks instead of access trunks and not to BellSouth's access

Telecommunications Act of 1996 to Provide In-Region, InterLATA Services in Texas, CC Docket No. 00-65, Memorandum Opinion and Order, Released June 30, 2000) ("SWBT Order-TX").

¹⁴ *Application of Verizon New England Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a Verizon Enterprise Solutions) And Verizon Global Networks Inc., For Authorization to Provide In-Region, InterLATA Services in Massachusetts*, CC Docket No. 01-9, Released April 16, 2001, ("Verizon Massachusetts Order").

1 tandem. If such traffic is not exchanged through the companies' respective access
2 tandems, but is delivered to BellSouth end offices over local interconnection
3 trunks, BellSouth is unable to identify and properly bill switched access traffic.
4 BellSouth's position is that ALECs should not be permitted to mix switched
5 access traffic as local traffic by routing such switched access traffic over local
6 interconnection trunks. The handling of switched access traffic is governed
7 pursuant to switched access tariffs.

8
9 Q. HAS THE FPSC PREVIOUSLY RULED ON THIS ISSUE?

10
11 A. Yes. As stated by Mr. Argenbright, in the WorldCom Arbitration Order, the
12 FPSC requires WorldCom to deliver all terminating switched access traffic to
13 BellSouth over switched access trunks to BellSouth's access tandem.

14
15 Q. HAS MR. ARGENBRIGHT PRESENTED ANY NEW EVIDENCE SUCH
16 THAT THE FPSC SHOULD CHANGE ITS POSITION?

17
18 A. No. There is no need to relitigate this issue in this proceeding. Further, the
19 FPSC's ruling is consistent with BellSouth's obligation under checklist item 1.

20
21 Q. MR. WILLIS CONTENDS ON PAGE 3 OF HIS TESTIMONY THAT NUVOX
22 MUST USE THE ACCESS SERVICE REQUEST (ASR) PROCESS TO ORDER
23 INTERCONNECTION TRUNKS AND FACILITIES AND LOCAL
24 FACILITIES TO ITS CUSTOMERS. IS THIS ACCURATE?

1 A. Not entirely. Mr. Willis is correct that NuVox, or any ALEC, must order
2 interconnection trunks and facilities via the ASR process. NuVox would use the
3 local service request (LSR) process to order UNEs to serve its customers. NuVox
4 would use the ASR process to order special access services to serve its customer.
5

6 Q. DOES THE FACT THAT NUVOX USES THE ASR PROCESS TO ORDER
7 INTERCONNECTION TRUNKS AND FACILITIES RESULT IN NUVOX
8 BEING INCORRECTLY BILLED ACCESS RATES INSTEAD OF LOCAL
9 INTERCONNECTION RATES?
10

11 A. No. BellSouth's interconnection agreements specify that in instances where no
12 rate is contained in the agreement, the parties will use rates from their respective
13 access tariffs for billing. This language is in the NuVox agreement (known as the
14 "Trivergent" agreement) so there may be cases where NuVox is appropriately
15 billed access rates for interconnection. Further, in instances where there is a local
16 rate, the billing for interconnection may be apportioned between local and access
17 rates. In a June 1, 2000 letter to all carriers, BellSouth described the billing
18 method and necessary factors to apportion the charges for facilities between
19 jurisdictions. These factors, to be provided by NuVox, are applied to the
20 interconnection facilities and determine what portion should be billed at local
21 interconnection rates and what portion should be billed at access rates.
22

23 Q. CAN NUVOX CONVERT ITS SPECIAL ACCESS SERVICE TO UNES AND
24 AS A RESULT PAY UNE RATES?
25

1 A. Yes, if it meets the criteria established by the FCC. In June 2000, the FCC
2 released a Supplemental Order Clarification in CC Docket No. 96-98, wherein it
3 stated, in paragraph 8, “[t]herefore, until we resolve the issues in the Fourth
4 FNPRM, IXC’s may not substitute an incumbent LEC’s unbundled loop-transport
5 combinations for special access services unless they provide a significant amount
6 of local exchange service, in addition to exchange access service, to a particular
7 customer.” Nuvox may convert those lines that meet the FCC’s restrictions if it
8 so chooses; however, no refund is due. It is my understanding that BellSouth has
9 converted a large number of special access lines to UNEs on behalf of NuVox.

10
11 **CHECKLIST ITEM 2**

12
13 Q. ARE BELLSOUTH’S UNE RATES COST-BASED?

14
15 A. Yes. BellSouth’s current UNE rates, in compliance with the Act, are cost-based,
16 as determined by the FPSC in Docket No. 990649-TP. Of course, as this
17 Commission is aware, the FPSC recently issued an order in its current generic
18 UNE cost proceeding, Order No. PSC-01-1181-FOF-TP. The current schedule
19 anticipates a Staff Recommendation on all Motions for Reconsideration on
20 September 6, 2001 and a Commission Agenda decision on September 18, 2001.
21 Once the Commission issues its written order, BellSouth will update its SGAT.

22
23 Q. PLEASE COMMENT GENERALLY ON THE TESTIMONY OF MR.
24 DARNELL AND MR. GILLAN CONCERNING COST-BASED UNBUNDLED
25 NETWORK ELEMENT (“UNE”) RATES.

1
2 A. As I mentioned earlier, the FPSC has conducted a comprehensive generic UNE
3 cost docket and issued an order. To the extent that Mr. Darnell and Mr. Gillan
4 may be asking the FPSC to re-litigate the generic UNE cost docket in this
5 proceeding, such action is not necessary. Addressing cost issues in this
6 proceeding, in light of the extensive generic UNE proceeding that the FPSC has
7 completed, would be duplicative of the FPSC's time and resources.

8
9 In the current cost docket, the FPSC updated the existing UNE rates and
10 established cost-based rates for all UNEs for which a rate had not yet been
11 established. As I discussed in my direct testimony, the cost-based rates BellSouth
12 included on the Price List contained in its Statement of Generally Available
13 Terms and Conditions ("SGAT") (*see* Direct Testimony Exhibit CKC-5,
14 Attachment A, filed May 22, 2001) will be modified to conform to the final prices
15 established by the FPSC in the generic UNE cost proceeding which should
16 alleviate Mr. Darnell's concerns. The prices that ALECs will be charged for
17 interconnection and UNEs are based on total element long run incremental cost
18 ("TELRIC") methodology. For all checklist items to which Section 252(d) is
19 applicable, BellSouth provides rates that meet the criteria of Section 252(d) of the
20 Act.

21
22 Q. PLEASE COMMENT ON MR. GILLAN'S STATEMENT AT PAGE 19 THAT
23 "THE FLORIDA COMMISSION SHOULD PLACE PARTICULAR
24 EMPHASIS ON ESTABLISHING COST-BASED RATES FOR UNES."
25

1 A. Mr. Gillan's suggestion is not necessary. The FPSC has always shown a
2 commitment to cost-based rates. Moreover, any comments that the FCCA
3 thought appropriate on this issue should have been made a part of the record in
4 the generic UNE cost proceeding. Mr. Gillan's discussion of BellSouth's
5 proposed UNE rates, therefore, is not appropriate in the context of this
6 proceeding.

7
8 Q. PLEASE COMMENT ON MR. GILLAN'S ALLEGED "ANALYSIS" (PAGES
9 20-22) OF BELL SOUTH'S FINANCIAL PERFORMANCE IF BELL SOUTH
10 WERE A UNE-BASED CARRIER.

11
12 A. Mr. Gillan states, on page 21, that "BellSouth could not even operate in Florida if
13 required to lease the existing network. . . ." Mr. Gillan's flawed "analysis" is
14 nothing more than an attempt to divert the FPSC's attention from the real question
15 at hand.

16
17 The standard here is not whether anyone can make money at these cost-based
18 rates. The FCC stated, in ¶41 of its Verizon-Massachusetts Order, "In the 'SWBT
19 Kansas/Oklahoma Order', the Commission held that this profitability argument is
20 not part of the section 271 evaluation of whether an applicant's rates are TELRIC-
21 based. The Act requires that we review whether the rates are cost-based, not
22 whether a competitor can make a profit by entering the market."

23
24 The question is whether BellSouth's UNE rates have been developed in
25 compliance with the Act and the FCC's rules; that is, are the rates cost-based?

1 The answer is yes. The fact that, in some cases, BellSouth's proposed UNE rates
2 are higher than BellSouth's retail rates is not the result of an attempt on
3 BellSouth's part to limit competition. It is certainly not "news" to the FPSC that
4 BellSouth's retail residence local exchange rates are below the cost of providing that
5 service. ALECs, however, have been successful in winning business customers, in
6 part due to the margin between BellSouth's business local exchange rates and
7 BellSouth's UNE rates. In addition, resale that provides for a discount off of the
8 tariffed retail rate also is available.

9
10 Q. PLEASE ADDRESS MR. GILLAN'S DISCUSSION, ON PAGE 22, WITH
11 REGARD TO BELL SOUTH'S DAILY USAGE FILE ("DUF") RATES.

12
13 A. Mr. Gillan's discussion/analysis is flawed. First, it is confusing as to what Mr.
14 Gillan is actually calculating and what he is using to make his calculation. He
15 states that it would appear that DUF rates apply on a per-message basis, which in
16 general is correct. It then appears from his Exhibit JPG-8, footnotes 3 and 4, that
17 he is using minutes (which certainly would be greater than messages) to develop
18 his costs. Mr. Gillan then restates BellSouth-Florida DUF cost per line based on
19 "assuming" this, "estimating" that, and "calculating an average" cost of
20 something else. He uses this restated cost to compare to Qwest's proposed cost
21 and another figure represented to be an Ameritech cost, neither of which is
22 provided with an explanation.

23
24 Mr. Gillan's analysis does not demonstrate that BellSouth is not in compliance
25 with the Act and the FCC's pricing rules. As stated previously, the standard

1 necessary for BellSouth to be in compliance is whether BellSouth's UNE rates
2 comply with TELRIC principles. The FPSC has established cost-based DUF rates
3 in Docket No. 990649-TP. Any concerns Mr. Gillan has with those rates should
4 have been addressed in that docket. Nevertheless, it should be recognized that
5 rate differences among BOCs do not preclude rates from being cost-based, and
6 certainly do not preclude granting 271 relief. Specifically, the FCC noted in its
7 background discussion of UNE pricing in its SWBT-TX Order, "that SWBT's
8 nonrecurring charges are substantially higher than those charged by incumbent
9 LECs in other states. . . ." (Fn. 648). In that Order, however, the FCC still
10 determined that SWBT's prices were cost-based and granted 271 relief in Texas.
11

12 Q. PLEASE COMMENT ON MR. GUEPE'S DISCUSSION ON PAGES 6-8 AND
13 MR. GILLAN'S DISCUSSION ON PAGES 20-21, WITH REGARD TO THEIR
14 CONTENTION THAT BELL SOUTH SHOULD COMBINE UNES.
15

16 A. Both Mr. Guepe and Mr. Gillan suggest that the FPSC require BellSouth to
17 combine UNES for ALECs when the UNES are not combined. On page 7, Mr.
18 Guepe states, "BellSouth will not provide cost-based access to combinations that
19 allow ALECs to serve new customers or to provide additional lines for existing
20 customers . . . BellSouth, if it so chooses . . . assesses a non-cost based 'glue
21 charge'" Before I comment on the validity of Mr. Guepe's statements, I need to
22 explain what a "glue charge" is.
23

24 Where BellSouth agrees to physically combine UNES for an ALEC, the prices for
25 such combinations will be a negotiated rate. The difference between negotiated

1 prices and cost-based prices is referred to as a “glue charge” in this issue. The
2 “glue charge” is not necessarily a separate charge; it is simply the difference in
3 prices described above.

4
5 Q. HAS THE FPSC PREVIOUSLY RULED ON THE ISSUE REGARDING
6 “NEW” UNE COMBINATIONS?

7
8 A. Yes. In numerous arbitration orders (i.e., Intermedia, MCI, AT&T, Sprint), the
9 FPSC has found that it is not the duty of BellSouth to perform the functions
10 necessary to combine unbundled network elements. The FPSC has correctly
11 determined that Rule 51.315(b) only requires BellSouth to make available at
12 TELRIC rates those combinations requested by an ALEC that are, in fact, already
13 combined and physically connected in its network at the time a requesting carrier
14 places an order.

15
16 The FPSC further has concluded that BellSouth should be compensated for the
17 work it does to physically combine unbundled network elements that an ALEC
18 requests when those elements are not currently combined within BellSouth’s
19 network.

20
21 Q. HAS ANY PARTY PRESENTED ANY NEW ARGUMENTS SUCH THAT
22 THE FPSC SHOULD CHANGE THEIR POSITION?

23
24 A. No. Mr. Gillan and Mr. Guepe provide no new evidence and the FPSC should not
25 change its position on this issue.

1
2 Q. IS BELLSOUTH OBLIGATED TO OFFER NEW COMBINATIONS AT
3 COST-BASED RATES TO COMPLY WITH SECTION 271?
4

5 A. No. The FCC made it clear in the Bell Atlantic New York Order that new
6 combinations are not a requirement of Section 271. In that Order, the FCC
7 concluded, “that Bell Atlantic demonstrates that it provides to competitors
8 combinations of network elements that are *already preassembled in their network*,
9 as well as nondiscriminatory access to unbundled network elements, in a manner
10 that allows competing carriers to combine those elements themselves.” (§ 231,
11 emphasis added). The FCC reached a similar conclusion in its SWBT Order-TX,
12 stating “that SWBT provides access to UNEs in a manner that allows requesting
13 carriers to combine those elements, and that SWBT provides access to *preexisting*
14 *combinations* of network elements.” BellSouth’s combination policy is fully
15 compliant with Section 271. (§ 216, emphasis added) (*See also*, SWBT Order-
16 KS/OK at § 172).
17

18 **CHECKLIST ITEM 4**
19

20 Q. PLEASE RESPOND TO SPRINT’S REFERENCE IN ITS REBUTTAL
21 COMMENTS TO A NORTH CAROLINA UTILITIES COMMISSION ORDER
22 THAT DISCUSSES WHETHER ALECS SHOULD PAY ELECTRONIC OR
23 MANUAL RATES FOR ACCESSING A PARTICULAR BELLSOUTH
24 DATABASE.
25

1 A. It is not necessary for the FPSC to refer to the North Carolina Utilities
2 Commission order discussed by Sprint. This Commission has addressed this issue
3 more generally in the context of the MCI arbitration. The FPSC found that
4 “where it is determined that BellSouth has an electronic interface in place for its
5 retail offerings, but there is no analogous system in place for comparable services
6 obtained by an ALEC, it would be a reasonable presumption that an ALEC is
7 being denied a meaningful opportunity to compete; where such a finding is made,
8 BellSouth should charge an electronic ordering charge. However, such a
9 determination will need to be made on a case-by-case basis.” (See page 19).

10
11 **CHECKLIST ITEM 5**
12

13 Q. PLEASE DESCRIBE BELL SOUTH’S UNDERSTANDING OF THE
14 UNBUNDLED TRANSPORT ISSUES DISCUSSED BY MR. ARGENBRIGHT
15 (PAGES 17-23).
16

17 A. Mr. Argenbright contends that BellSouth must provide dedicated interoffice
18 transport between ALEC switching locations and between a ALEC’s network and
19 another requesting carrier’s network. The FCC requires BellSouth to unbundle
20 dedicated transport in BellSouth’s existing network and has specifically excluded
21 transport between other carriers’ locations. BellSouth is not required to offer, and
22 certainly is not required to build, dedicated transport facilities between ALEC
23 network locations, whether they be nodes or network switches or between the
24 ALEC’s network and another carrier’s network.
25

1 Q. HAS THE FPSC PREVIOUSLY RULED REGARDING THE UNBUNDLED
2 TRANSPORT ISSUE?

3
4 A. Yes. In the MCI arbitration Order the FPSC concluded that BellSouth is not
5 required to provide MCI with unbundled dedicated transport between other
6 carriers' locations, or between MCI switches.

7
8 Q. HAS MR. ARGENBRIGHT PRESENTED ANY NEW EVIDENCE THAT
9 SHOULD CAUSE THE FPSC TO CHANGE ITS POSITION?

10
11 A. No. There is no need to relitigate this issue in this proceeding. Further, the
12 FPSC's ruling is consistent with BellSouth's obligation under checklist item 5.

13
14 Q. IN LIGHT OF MR. ARGENBRIGHT'S TESTIMONY ON THIS CHECKLIST
15 ITEM, DO YOU STILL CONTEND THAT BELL SOUTH PROVIDES ACCESS
16 TO UNBUNDLED TRANSPORT IN COMPLIANCE WITH SECTION 271?

17
18 A. Yes. As I discussed in my direct testimony, FCC Rule 51.319 requires a BOC to
19 offer access to local transport on the trunk side of a wireline local exchange
20 carrier switch unbundled from switching or other services. In the Bell Atlantic
21 Order, the FCC stated that it requires that BOCs provide both dedicated and
22 shared transport to requesting carriers. (§ 337). As evidenced by its
23 interconnection agreements and its SGAT, BellSouth provides unbundled
24 transport in compliance with these obligations. Because BellSouth is not
25 obligated to provide dedicated transport between ALEC locations (or between an

1 ALEC and another carrier), Mr. Argenbright's testimony has no bearing on
2 whether BellSouth is compliant with the checklist.

3
4 **CHECKLIST ITEM 6**

5
6 Q. MR. GUEPE STATES THAT "BELLSOUTH FAILS TO PROVIDE
7 APPROPRIATE ACCESS TO UNES FOR CUSTOMERS LOCATED WITHIN
8 DENSITY ZONE 1 IN THE TOP 50 MSA'S." PLEASE RESPOND.

9
10 A. BellSouth has elected to be exempted from providing access to unbundled local
11 switching to serve customers with four or more lines in Density Zone 1 of the
12 Miami, Orlando and Ft. Lauderdale MSAs. To avail itself of this exemption, the
13 FCC requires BellSouth to combine loop and transport UNEs (also known as the
14 "Enhanced Extended Link" or "EEL") in the geographic area where the
15 exemption applies. The FCC also requires that such combinations be provided at
16 cost-based rates. BellSouth will physically combine loop and transport UNEs at
17 FCC mandated cost-based prices as required in the FCC's UNE Remand Order in
18 order to have the exemption from providing local circuit switching.

19
20 Beyond this limited exception dictated by the FCC, BellSouth is under no
21 obligation to physically combine network elements, where such elements are not
22 in fact combined.

23
24 Q. HAS THE FPSC PREVIOUSLY RULED ON THIS ISSUE?

1 A. Yes. In the AT&T arbitration, the FPSC concluded “it is not the duty of
2 BellSouth to ‘perform the functions necessary to combine unbundled network
3 elements in any manner.’” (*See* Page 23). The FPSC further states that the phrase
4 “currently combines” is limited to UNE combinations that are, in fact, already
5 combined and physically connected in BellSouth’s network and that there is no
6 physical work that BellSouth must complete in order to effect the combination for
7 an ALEC that submits an order. (*Id.*).

8
9 In addition, the FPSC established cost-based rates for new EELs in its May 25,
10 2001 Order, UNE Cost Docket No. 990649-TP.

11
12 Q. HAS MR. GUEPE PRESENTED ANY NEW EVIDENCE THAT SHOULD
13 CAUSE THE FPSC TO CHANGE ITS POSITION?

14
15 A. No. There is no need to relitigate this issue in this proceeding. Further, the
16 FPSC’s ruling is consistent with BellSouth’s obligation under checklist item 6.

17
18 **CHECKLIST ITEM 13**
19

20 Q. WHAT IS BELL SOUTH’S UNDERSTANDING OF THE “TANDEM
21 INTERCONNECTION ISSUE” DISCUSSED BY MR. ARGENBRIGHT
22 (PAGES 25-30)?

23
24 A. The disagreement between BellSouth and WorldCom on this issue has been
25 whether the FCC established a single-pronged or a two-pronged test for
26 determining if an ALEC is eligible to receive the tandem interconnection rate for

1 reciprocal compensation. A single-pronged test is based on whether the ALEC's
2 facilities serve a comparable geographic area as that served by BellSouth's
3 facilities. A two-pronged test refers to both a geographic test and a test as to
4 whether the ALEC's switch(s) perform comparable functions to BellSouth's
5 switch(s).

6
7 However, BellSouth acknowledges that the FCC's language in its April 27, 2001
8 NPRM¹⁵ accompanying its Order on Remand seems to resolve the question of
9 whether a two-pronged or a single-pronged test is to be used. Nonetheless, even
10 if only the geographic test is required, the ALEC still has the burden of proof that
11 it is entitled to the tandem switching rate in every instance based on the
12 geographic coverage of its switch.

13
14 Q. IS THE FPSC ADDRESSING THE TANDEM INTERCONNECTION ISSUE
15 IN A GENERIC PROCEEDING?

16
17 A. Yes. The FPSC is addressing the tandem interconnection issue in Docket No.
18 000075-TP (Phase II).

19
20 Q. DOES THE FCC'S ORDER ON REMAND RESOLVE THE TANDEM
21 INTERCONNECTION ISSUE RAISED BY MR. ARGENBRIGHT?

22
23 A. Yes. For all practical purposes, the FCC recently has resolved this issue. As has

¹⁵ *Developing a Unified Inter-carrier Compensation Regime, Notice of Proposed Rulemaking*, CC Docket No. 01-92, Released April 27, 2001 ("NPRM").

1 been anticipated for some time, the FCC issued its Order on Remand¹⁶ affirming
2 its earlier conclusion that traffic bound for Internet Service Providers (“ISPs”) is
3 predominantly interstate access traffic that is not subject to the reciprocal
4 compensation obligations of Section 251(b)(5) but is within the jurisdiction of the
5 FCC under Section 201 of the Act. (Order at ¶1).

6
7 After it held that ISP-bound traffic was not subject to reciprocal compensation,
8 the FCC established a phased-in interim regime that will govern intercarrier
9 compensation for ISP-bound traffic over the next three years. (Order on Remand
10 at ¶ 77). The FCC’s phased-in interim regime “establishes relatively low per
11 minute rates, with a cap on the total volume of traffic entitled to such
12 compensation.” (*Id.*). The FCC characterized these payments as intercarrier
13 compensation that is not subject to the reciprocal compensation obligations in
14 Section 251 of the Act.

15
16 After establishing the intercarrier compensation mechanism referenced above, the
17 FCC gave individual ILECs the ability to “opt” into the FCC’s scheme, if the
18 ILEC agreed to exchange all 251(b)(5) traffic at the designated ISP compensation
19 rates. BellSouth has determined that it will “opt” into the FCC rates for ISP
20 traffic and also offers to exchange all 251(b)(5) traffic at the designated ISP
21 compensation rates. Therefore, the issue of whether a ALEC’s switch serves a
22 geographic area comparable to the ILEC’s tandem switch is relevant only if the
23 ALEC declines BellSouth’s offer to exchange 251(b)(5) traffic at the same rate as
24 ISP traffic.

¹⁶ *In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, CC Docket No. 96-98 and *Inter-carrier Compensation for ISP-Bound Traffic*, CC Docket No. 99-68, Issued April 27, 2001 (“Order on Remand”).

1
2 Q. MR. ARGENBRIGHT (PAGE 30) STATES THAT BELL SOUTH MUST
3 AMEND ITS SGAT TO REFLECT THAT ALECS WILL RECEIVE THE
4 TANDEM INTERCONNECTION RATE BASED ON GEOGRAPHIC
5 COMPARABILITY BEFORE SATISFYING CHECKLIST ITEM 13. PLEASE
6 COMMENT.

7
8 A. As I stated previously, BellSouth agrees that comparable geographic coverage is
9 the sole demonstration an ALEC must make to receive the tandem
10 interconnection rate. The FCC found that Bell Atlantic was in compliance with
11 this checklist item because "it (1) has in place reciprocal compensation
12 arrangements in accordance with section 252(d)(2), and (2) is making all required
13 payments in a timely fashion." (§ 376). Like Bell Atlantic, BellSouth has in place
14 reciprocal compensation arrangements set forth in its binding interconnection
15 agreements, and makes all payments pursuant to those arrangements in a timely
16 fashion. Thus, BellSouth is in compliance with this checklist item. Additionally,
17 BellSouth's local traffic definition (*see* Section I.A) and the reciprocal
18 compensation language (*see* Section XIII, footnote 3) contained in the terms and
19 conditions portion of the SGAT that was attached to my direct testimony as
20 Exhibit CKC-5 comply with the FCC's Order on Remand dated April 27, 2001, in
21 CC Docket No. 96-98 and No. 99-68 and with the FCC's clarification as to ALEC
22 eligibility for the tandem interconnection rate in its April 27, 2001 NPRM.

23
24 Q. WHAT IS BELL SOUTH'S UNDERSTANDING OF THE "FX ISSUE"
25 DISCUSSED BY MR. ARGENBRIGHT (PAGES 30-41)?

1
2 A. This issue concerns compensation between carriers, rather than restrictions on
3 assignments of NPA/NXX codes. Both BellSouth and WorldCom agree that
4 carriers are permitted to assign NPA/NXX codes in any manner desired, including
5 outside the local calling area or rate center with which the codes are associated.
6 However, if WorldCom chooses to give out its numbers in this manner, calls
7 originated by BellSouth end users to those numbers are not local calls.
8 Consequently, such calls are not local traffic under the agreement and no
9 reciprocal compensation applies. Further, WorldCom should identify such long
10 distance traffic and pay BellSouth for the originating switched access service
11 BellSouth provides on those calls.
12

13 Q. IS THE FPSC ADDRESSING THE "FX ISSUE" IN A GENERIC
14 PROCEEDING?
15

16 A. Yes. The FPSC is addressing "FX" in the generic proceeding in Docket No.
17 000075-TP (Phase II).
18

19 Q. HOW HAVE STATE COMMISSIONS IN THE BELL SOUTH REGION
20 ADDRESSED THIS ISSUE?
21

22 A. The South Carolina, Tennessee, and Alabama Commissions have ruled consistent
23 with BellSouth's position on this issue: (1) South Carolina Docket No. 2000-516-
24 C, Order No. 2001-045, dated January 16, 2001 (Adelphia arbitration); (2)
25 Tennessee Docket No. 99-00948, Interim Order dated June 25, 2001 (Intermedia

1 arbitration); and (3) Alabama Docket No. 27385, Order dated May 21, 2001
2 (Intermedia Arbitration).

3
4 The Kentucky Commission has heard this issue in two recent arbitration cases
5 (Adelphia and Level 3), both of which were subsequently settled by the parties.
6 In the case of the Level 3 arbitration, the parties reached a negotiated settlement,
7 after the Commission had issued its March 14, 2001 Order. As an indication of
8 the Commission's position on this issue, that March 14 Order stated:

9
10 Each party shall consider the other's FX or virtual NXX
11 service to be local traffic when the customer is physically
12 located within this same LATA as the calling area with which
13 the telephone number is associated.
14

15 Thus, although the Kentucky Commission did not agree with BellSouth's
16 position, it did recognize the potential abuse if an ALEC were to assign NXX
17 numbers such that the call would appear to be local to the originating party, but
18 would actually cross LATA boundaries, or even cross state boundaries. In order
19 to limit such potential abuse, the Kentucky Commission specified that only calls
20 within the same LATA would be considered local calls. In its Recommended
21 Arbitration Order dated April 3, 2001 in the MCI/BellSouth arbitration
22 proceeding, the North Carolina Utilities Commission reached the same conclusion
23 as the Kentucky Commission on this issue. Pursuant to the North Carolina
24 Commission's procedural schedule, objections to the Recommended Arbitration
25 Order were filed on May 3, 2001, and neither BellSouth nor MCI objected to the
26 Commission's decision on this issue.

27
28 BellSouth offers in its Standard Interconnection Agreement an option for the

1 parties to treat all calls within a LATA as local calls for purposes of reciprocal
2 compensation. This option is consistent with the Kentucky and North Carolina
3 Commissions' rulings on FX or Virtual NXX traffic. Likewise, BellSouth's
4 settlements with Level 3 and Adelphia are consistent with the Kentucky
5 Commission's March 14 Order in the Level 3 case. Specifically, those
6 settlements resulted in the parties receiving reciprocal compensation for
7 terminating all intraLATA traffic. In BellSouth's negotiations with WorldCom in
8 other states, WorldCom has not agreed to such treatment.

9
10 Q. DOES MR. ARGENBRIGHT'S TESTIMONY ON THE NPA/NXX ISSUE
11 AFFECT YOUR CONCLUSION THAT BELL SOUTH IS IN COMPLIANCE
12 WITH THE COMPETITIVE CHECKLIST?

13
14 A. No. The dispute is whether calls should be treated as local or toll for the purposes
15 of intercarrier compensation. We agree that carriers can assign NPA/NXX codes
16 in any manner they desire. Reciprocal compensation, however, is only
17 appropriate for local traffic. ALECs should properly compensate BellSouth for
18 originating access charges on calls that originate in one local calling area and
19 terminate in another and, in no event, should reciprocal compensation apply to
20 such calls.

21
22 BellSouth's position on this issue is the same as the Texas Commission and the
23 FCC granted SBC 271 authority in Texas. Obviously, BellSouth's position is
24 compliant with section 271.
25

1 **CHECKLIST ITEM 14**

2
3 Q. ON PAGE 9, MR. GILLAN COMPLAINS THAT "RESALE NEITHER
4 PERMITS A CARRIER TO INNOVATE, OR EFFECTIVELY OFFER
5 INTEGRATED LOCAL/LONG DISTANCE PACKAGES." PLEASE
6 COMMENT.

7
8 A. Whether resale permits a carrier to offer integrated packages is irrelevant to a
9 determination of BellSouth's compliance under checklist item 14. To prove
10 checklist compliance with Section 271(c)(2)(B)(xiv) requires that BellSouth
11 demonstrate that "[t]elecommunications services are available for resale in
12 accordance with the requirements of sections 251(c)(4) and 252(d)(3)."
13 BellSouth has demonstrated availability of resale services through its SGAT and
14 through existing interconnection agreements (See Exhibit CKC-3 attached to my
15 direct testimony).

16
17 Although not relevant for checklist compliance, I will respond to Mr. Gillan's
18 assertions. On page 9 of his testimony, Mr. Gillan contends that this alleged
19 limitation is a result of BellSouth continuing to assess access charges on the
20 reseller's lines. Assessing access charges on a resold line is not unique to
21 BellSouth. In its Local Competition First Report and Order (¶980), the FCC
22 established that ILECs continue to bill access when local services are resold under
23 section 251(c)(4). Congress envisioned three separate options for ALECs to enter
24 the local exchange telecommunications market. Resale is one of those options.
25 The situation Mr. Gillan presents is simply the construct of the resale model. As

1 shown in the Status of Competition portions of both this testimony and Exhibit
2 CKC-4 attached to my direct testimony, there are apparently several ALECs
3 making a business of resale in Florida that may disagree with Mr. Gillan's
4 conclusion. If resale is not a viable alternative for some ALECs, Congress also
5 provided opportunities for a ALEC's entry through purchasing facilities from
6 BellSouth or by constructing its own facilities. In addition, Congress did not
7 envision resale as a long-term entry method. For this reason, as noted earlier in
8 this testimony, the long-term migration from resale service to facilities-based
9 service has been expected as competition matures.

10
11 Q. MR. GILLAN'S TESTIMONY AT PAGE 26 AND MR. GALLAGHER'S
12 TESTIMONY AT PAGE 16, REFER TO THE "ASCENT DECISION" AND
13 ALLEGE THAT BELL SOUTH MUST PERMIT THE RE SALE OF ITS
14 ADVANCED DATA SERVICES AT A WHOLESALE DISCOUNT. DO YOU
15 AGREE WITH MR. GILLAN AND MR. GALLAGHER?

16
17 A. No. The January 9, 2001 ruling by the United States Court of Appeals for the
18 District of Columbia Circuit, as referred to by Mr. Gillan and Mr. Gallagher, does
19 not support their allegation. Mr. Gillan and Mr. Gallagher have taken a statement
20 out of context and used it inappropriately. This decision dealt with regulatory
21 relief granted by the FCC regarding resale of advanced services *if conducted*
22 *through the separate affiliate established in the Ameritech and SBC merger*. The
23 Court ruled that an ILEC may not "sideslip §251(c)'s requirements by simply
24 offering telecommunications services through a wholly owned affiliate." (*See*
25 *Ruling, at page 4*). This is not what is at issue here, nor does the ruling require

1 BellSouth to resell its advanced data services at a wholesale discount, as Mr.
2 Gillan and Mr. Gallagher would have the FPSC believe. Further, BellSouth has
3 no separate affiliate for the sale of advanced services, and therefore, this decision
4 does not apply to BellSouth.

5
6 Q. IS THERE A MORE RECENT COURT RULING THAT SPEAKS DIRECTLY
7 TO MR. GILLAN'S AND MR. GALLAGHER'S ALLEGATIONS?

8
9 A. Yes. The United States Court of Appeals for the District of Columbia Circuit
10 issued a decision speaking directly to this issue. In the Background discussion in
11 its decision in "Association of Communications Enterprises, Petitioner v. Federal
12 Communications Commission and United States of America, Respondents, On
13 Petition for review of an Order of the Federal Communications Commission,"
14 Case No. 00-1144; decided June 26, 2001, the Court states:

15
16 At issue in this case is that part of the 'Second Report and
17 Order' in which the Commission addressed the question
18 whether the resale requirement of §251(c)(4)(A) applies to an
19 ILEC's offering of advanced services. As the Commission
20 acknowledged, it had previously determined that advanced
21 services constitute 'telecommunications service' and that the
22 end-users and ISPs to which the ILECs offer such services are
23 'subscribers who are not telecommunications carriers' within
24 the meaning of §251(c)(4)(A). The remaining issue, therefore,
25 was whether an ILEC's offering of certain advanced services,
26 including DSL, is made 'at retail' so as to trigger the discount
27 requirement. The Commission ultimately concluded that while
28 an incumbent LEC DSL offering to residential and business
29 end-users is clearly a retail offering designed for and sold to
30 the ultimate end-user, an incumbent LEC offering of DSL
31 services to Internet Service Providers as an input component to
32 the Internet Service Provider's high-speed Internet service
33 offering is not a retail offering. Accordingly, . . . DSL services
34 designed for and sold to residential and business end-users are

1 subject to the discounted resale obligations of section 251(c)(4)
2 . . . [H]owever, . . . section 251(c)(4) does not apply where the
3 incumbent LEC offers DSL services as an input component to
4 Internet Service Providers who combine the DSL service with
5 their own Internet Service.
6

7 The Association of Communication Enterprises (ASCENT)
8 petitioned for review of this determination, and various tele-
9 communications and DSL providers intervened on behalf of the
10 Commission.
11

12 In conclusion, the Court states:

13
14 In sum, having considered ASCENT's objections, we find the
15 Commission's Order in all respects reasonable.
16

17 In addition, the FCC reiterated its position on the resale of advanced services in
18 its Bell Atlantic New York Order. In paragraph 393 of that Order, addressing
19 Bell Atlantic's ADSL Access Tariff offering, the FCC stated, "we agree with Bell
20 Atlantic that it is not required to provide an avoided-cost discount on its
21 wholesale ADSL offering because it is not a retail service subject to the discount
22 obligations of section 251(c)(4)." More recently, in its Verizon Connecticut
23 Order, the FCC clearly stated that resale obligations only extend to
24 telecommunications services offered at retail. Therefore, BellSouth is not
25 required to offer its wholesale DSL telecommunications service to ALECs at a
26 resale discount, nor is it required to resell its Internet access service.¹⁷ BellSouth
27 is in compliance with the FCC's requirements with respect to resale of advanced
28 services.

¹⁷ *Application of Verizon New York Inc., Verizon Long Distance, Verizon Enterprise Solutions, Verizon Global Networks Inc., and Verizon Select Services Inc., for Authorization to Provide In-Region, InterLATA Services in Connecticut*, CC Docket No. 01-100, Memorandum Opinion and Order (Released July 20, 2001) ("Verizon Connecticut Order")(fn 93).

1
2 Q. DOES BELLSOUTH OFFER AN xDSL TELECOMMUNICATIONS SERVICE
3 AS A RETAIL OFFERING?

4
5 A. No. The only DSL telecommunications service that BellSouth offers is a
6 wholesale service offered to ISPs. BellSouth does not offer a retail DSL
7 telecommunications service, and based on the FCC's Second Report and Order
8 referred to above, as well as the Court's Decision, BellSouth has no obligation to
9 make available its wholesale telecommunications DSL service at the resale
10 discount, pursuant to section 251(c)(4).
11

12 **OTHER**
13

14 Q. PLEASE RESPOND TO MS. BERGER/AT&T'S ALLEGATION ON PAGE 3
15 THAT NONE OF THE ISSUES DISCUSSED IN HER TESTIMONY WILL BE
16 RESOLVED IN A TIMELY MANNER "AS A RESULT OF BUSINESS-TO-
17 BUSINESS NEGOTIATIONS."

18
19 A. Contrary to Ms. Berger's allegation, BellSouth most certainly continues to discuss
20 and attempt to resolve all valid issues raised by AT&T, even those that are before
21 regulatory bodies. In certain circumstances, where legal or policy issues are
22 involved, these matters must be discussed with policy decision makers and/or the
23 legal department, regardless of whether these issues are before regulatory bodies.
24 This additional but necessary step may add some time to the response period;
25 however, BellSouth will continue to strive, in all instances, to respond to AT&T's

1 concerns in a timely and reasonable fashion.

2
3 Q. DOES BELL SOUTH HAVE PROCEDURES THAT DEAL WITH THE
4 CONCERNS OF INDIVIDUAL ALECS?

5
6 A. Yes. BellSouth offers various avenues for dealing with individual ALEC
7 concerns. In addition to individual Account Teams, numerous ALEC centers, and
8 other processes that are tailored specifically for ALECs, BellSouth has established
9 an External Response Team ("ERT") for handling inquiries and responding to
10 issues raised by the ALECs. In the timeframe from 1998 through mid-2001,
11 BellSouth processed over 3000 individual ALEC ERT letters. These letters have
12 dealt with a variety of subjects from requests for specific data to Root Cause
13 Analysis.

14
15 Q. DOES BELL SOUTH HAVE OTHER FORUMS IN PLACE THAT DEAL
16 WITH CONCERNS OF THE ALEC COMMUNITY AS A WHOLE?

17
18 A. Yes. BellSouth has in place several collaboratives to address ALECs' issues and
19 concerns. BellSouth established these collaboratives to allow BellSouth and the
20 ALEC community to meet, identify, discuss, and resolve, on a weekly, monthly,
21 quarterly, semiannual, or annual basis, the various substantive issues that
22 BellSouth and the ALEC community face in a competitive market. Importantly,
23 these collaboratives are region-wide, thereby providing the ALEC community
24 with a single forum to address any BellSouth-specific issues or concerns they may
25 have from any state in BellSouth's service territory. Further, to foster a

1 cooperative environment that is focused on the resolution of issues, as opposed to
2 advocating legal and regulatory positions, attorneys are prohibited from attending
3 these collaboratives. To date, more than 80 ALECs have participated in these
4 collaboratives and numerous issues that would have resulted in Commission
5 intervention have been resolved. A summary of the collaboratives currently
6 offered by BellSouth follows:

- 7
8 1. BellSouth User Groups - This collaborative consists of four groups,
9 (UNE-P, Collocation, Resale, and Facilities Based) each of which has
10 its own separate collaborative. The purpose of these groups is to
11 bring BellSouth and ALECs together to resolve potential issues
12 relating to each group prior to legal or regulatory intervention. The
13 groups meet once a quarter, except for the UNE-P group, which meets
14 every two months. Over 76 ALECs have participated in these
15 collaboratives and several meetings are scheduled in the next couple
16 of months. As information, I have attached as Exhibit CKC-7, a
17 detailed description of each of the BellSouth User Group
18 Collaboratives.
19
- 20 2. ALEC Inforum - In this collaborative, BellSouth, in a convention-like
21 setting, informs ALECs of the latest information on BellSouth's
22 products, OSS, sales and marketing initiatives, and operational issues.
23 In addition, the collaborative also provides educational workshops and
24 sessions, opportunities to meet and discuss issues with BellSouth
25 Subject Matter Experts ("SMEs"), and allows ALECs to network with

1 their BellSouth account executives and other ALECs. This
2 collaborative is generally held on an annual basis. The most recent
3 meeting was held on July 15-17, 2001, in Atlanta. More than 275
4 people representing over 80 ALECs attended this recent meeting,
5 which included educational workshops and sessions offered by
6 BellSouth addressing: (1) Local Number Portability; (2) Tariffs; (3)
7 Lens; (4) "How to Improve Operational Efficiency"; (5) "Mergers and
8 Acquisitions – Your Responsibilities"; (6) "How to Provide Magical
9 Customer Service"; (7) UNE-P ; and (8) Loop Make-up. A copy of
10 the Agenda for the recent Third Annual 2001 Summer ALEC Inforum
11 is provided as Exhibit CKC-8.

- 12
- 13 3. Line Sharing/Line Splitting Collaborative – These industry
14 collaborative meetings consist of four distinct groups, each of which
15 has its own collaborative: (1) Central Office Based Line Sharing –
16 BellSouth Owned Splitter; (2) Central Office Based Line Sharing –
17 DLEC Owned Splitter; (3) Remote Site Based Line Sharing –
18 BellSouth Owned Splitter; and (4) Line Splitting. These
19 collaboratives provide ALECs with an opportunity to meet with
20 BellSouth on a regularly scheduled basis to develop by mutual
21 agreement the processes and procedures required to implement Line
22 Sharing and Line Splitting. In 2000 alone, the Central Office Based
23 groups met over 70 times, and in 2001, to-date, the groups have met
24 approximately 25 times. Approximately 12 ALECs have participated

1 in this collaborative. Exhibit CKC-9 provides a description of the
2 groups in this collaborative.

3
4 Q. PLEASE RESPOND TO MR. RODNEY PAGE'S CONCERNS ABOUT
5 INCIDENTS ASSOCIATED WITH EFFORTS BY BELL SOUTH TO "WIN
6 BACK" CUSTOMERS THAT HAVE LEFT BELL SOUTH FOR AN ALEC.

7
8 A. In his rebuttal testimony and through exhibits attached to his testimony, ACCESS
9 discusses several incidents, most of which occurred in Georgia or Alabama, with
10 the exception of a single incident in Florida. (See Exhibit RP-1, pages 1-23).

11
12 When issues such as those ACCESS discusses were brought to BellSouth's
13 attention, BellSouth took immediate action to address them. In particular,
14 BellSouth suspended its outbound win back efforts pending a review into those
15 processes and programs. The review addressed ALECs' allegations regarding
16 disparagement of competitors and possible misuse of wholesale information by
17 BellSouth's retail units. BellSouth has now completed its investigation and has
18 implemented steps to ensure compliance with all BellSouth internal policies
19 regarding sales and marketing practices as well as applicable statutory and
20 regulatory requirements. Attached as Exhibit CKC-10 is an overview of
21 BellSouth's review and the resulting actions taken.

22
23 BellSouth does not condone the disparagement of a competitor or the misuse of
24 wholesale information. That being said, however, win back efforts are necessary
25 for all parties, are an indication of increasing competition and market openness,

1 and can bring great benefits to customers. Indeed, BellSouth has lost a significant
2 number of business customers to ALECs in Florida. Furthermore, from a public
3 policy standpoint, win back promotions are a natural outgrowth of the market
4 development contemplated by the Act and supported by the FCC's rules and
5 requirements. Specifically, the FCC discussed win back efforts by incumbent
6 local exchange carriers in its September 3, 1999 Order on Reconsideration and
7 Petitions for Forbearance, CC Docket No. 96-149 (Order No. 99-223). In its
8 Order, the FCC noted that restrictions on win back activities "may deprive
9 customers of the benefits of a competitive market," explaining that:

10
11 Winback facilitates direct competition on price and other
12 terms, for example, by encouraging carriers to "out bid" each
13 other for a customer's business, enabling the customer to select
14 the carrier that best suits the customer's needs.

15
16 Some commenters argue that ILECs should be restricted from
17 engaging in winback campaigns, as a matter of policy, because
18 of the ILEC's unique historic position as regulated monopolies.
19 Several commenters are concerned that the vast stores of CPNI
20 gathered by the ILECs will chill potential local entrants and
21 thwart competition in the local exchange. We believe that such
22 action by an ILEC is a significant concern during the time
23 subsequent to the customer's placement of an order to change
24 carriers and prior to the change actually taking place.
25 Therefore, we have addressed that situation in Part V.C.3,
26 *infra*. However, once a customer is no longer obtaining service
27 from the ILEC, the ILEC must compete with the new service
28 provider to obtain the customer's business. We believe that
29 such competition is in the best interest of the customer and see
30 no reason to prohibit ILECs from taking part in this practice.

31 (¶¶ 69-70, emphasis added).

32
33 Q. CAN YOU ADDRESS SOME OF THE SPECIFIC INCIDENTS THAT
34 ACCESS PRESENTED IN EXHIBITS ATTACHED TO MR. PAGE'S

1 REBUTTAL TESTIMONY?

2
3 A. Yes. Before replying to several of the individual exhibits, I would note that none
4 of the affiants that have proffered affidavits included as exhibits in the rebuttal
5 testimony of Mr. Page have filed complaints with the FPSC.

6
7 Exhibit RP-1, page 1 of 23, of Mr. Page's rebuttal testimony is the affidavit of
8 Charles Vance, owner of Furniture Restoration, Inc., in Atlanta, Georgia. Mr.
9 Vance states that, after a sales call from ACCESS, he contacted BellSouth to
10 compare information. He further states that a BellSouth customer service
11 representative told him that if his business switched its local telephone service to
12 ACCESS, (1) his business would not receive any service maintenance and (2) his
13 company would lose its yellow page listing at the end of the year (i.e. 2000).
14 BellSouth has not been able to determine any specifics related to the alleged
15 incident; however, such statements are contrary to the training BellSouth gives its
16 service representatives. BellSouth's service representatives are instructed to
17 "compete in the marketplace solely on the merits of BellSouth products and
18 services," and not to disparage a competitor's quality of service or financial
19 condition. It is BellSouth's policy to treat ALEC customers in a
20 nondiscriminatory manner, and ALEC customers are entitled to the same level of
21 service as BellSouth end users and are certainly entitled to maintain their listings
22 in the Yellow Pages.

23
24 Exhibits RP-1, pages 4 and 5 of 23, of Mr. Page's rebuttal testimony are the
25 affidavits of Michael McDevitt and Susan Kennedy of McDevitt Air, in

1 Savannah, Georgia. They state that McDevitt Air switched its telephone service
2 from ACCESS to BellSouth in order to get DSL service from BellSouth. Ms.
3 Kennedy states that, shortly after requesting to change their service to BellSouth,
4 she received a telephone solicitation from "TeleChoice" offering a discount on
5 local service if McDevitt Air switched its local telephone service back to
6 BellSouth. McDevitt Air received the discount, even though it had already
7 decided to return to BellSouth. According to BellSouth's records, McDevitt Air
8 disconnected local service from BellSouth and connected with ACCESS on July
9 24, 2000. McDevitt Air subsequently disconnected its service with ACCESS on
10 March 12, 2001 and reconnected service with BellSouth on March 14, 2001.
11 BellSouth has not uncovered any evidence to indicate that McDevitt Air was not
12 eligible for the rates it received consistent with BellSouth's tariff and promotional
13 offerings.

14
15 Finally, Exhibit RP-1, pages 20 and 21 of 23, of Mr. Page's rebuttal testimony is
16 the affidavit of Mr. Daniel Becton, President of Planogramming Solutions, Inc., in
17 Jacksonville, Florida, a customer of ACCESS, and the only Florida specific
18 affidavit. On April 23, 2001, Mr. Becton was contacted by a James Presson, who
19 identified himself as a BellSouth representative and attempted to convince Mr.
20 Becton to switch his service back to BellSouth while using disparaging comments
21 about the financial condition of ACCESS. Similarly, Mr. Page's rebuttal
22 testimony provides also Exhibit RP-1, pages 22 and 23 as the affidavit of Mr.
23 Jimmie Smith, Office Administrator of DANA, Inc., in Atlanta, Georgia, a
24 customer of ACCESS. On April 24, 2001, Mr. Smith was contacted by a
25 Samantha Wright, who identified herself as being "with BellSouth." Ms. Wright

1 attempted to convince Mr. Smith to transfer his local telephone service back to
2 BellSouth while using disparaging comments about ACCESS' financial
3 condition. Neither James Presson nor Samantha Wright is an employee of
4 BellSouth. Rather, they both worked for an authorized sales agent of BellSouth,
5 which BellSouth has since terminated. In any event, however, it is against
6 BellSouth policy for an employee or a sales agent to disparage a competitor,
7 including discussing a competitor's financial condition. Again, as mentioned
8 above, BellSouth has implemented procedures to strengthen the training of its
9 employees and sales agents about BellSouth's policy.

10
11 Q. PLEASE RESPOND TO MR. GILLAN'S COMMENTS AT PAGE 4 ABOUT
12 STRUCTURAL SEPARATION, AND HIS REMARK AT PAGE 27 THAT
13 "THE COMMISSION MUST BE PREPARED TO INCREASE ITS
14 VIGILANCE AND REGULATORY OVERSIGHT—OR, MORE SIMPLY,
15 ADOPT A STRUCTURAL APPROACH THAT WOULD ALIGN
16 BELL SOUTH'S INCENTIVES WITH THE COMMISSION'S OBJECTIVE OF
17 A COMPETITIVE LOCAL MARKET."

18
19 A. The FPSC is considering the issue of structural separation in another proceeding.
20 Structural separation is not a requirement of Section 271, as evidenced by the fact
21 that Congress considered the operations for which structural separation is required
22 in Section 272, and did not include separation of an ILEC's retail and wholesale
23 telecommunications operations in those requirements. In addition, the FCC has
24 never made structural separation a requirement for Section 271 approval.
25

1 However, in this docket, BellSouth is asking the FPSC to adopt a performance
2 measurement and remedy plan. BellSouth is legally obligated to provide ALECs
3 with nondiscriminatory access to BellSouth's network. The performance plan and
4 remedies that the FPSC establishes will provide additional incentive for BellSouth
5 to comply with its obligations. Additional regulatory oversight, as suggested by
6 Mr. Gillan, is unnecessary.

7
8 Q. MR. SAREM'S TESTIMONY ON PAGES 3 AND 4 MENTION THAT A
9 CRITICAL COMPONENT OF A COMPETITIVE TELECOMMUNICATIONS
10 ENVIRONMENT IS THE NEED FOR REASONABLE WHOLESALE PRICES,
11 AND APPROPRIATE PERFORMANCE MEASUREMENTS AND
12 PENALTIES. PLEASE RESPOND.

13
14 A. Mr. Sarem acknowledges that BellSouth has met its obligation under the Act to
15 open its network and to provide nondiscriminatory access to competitors. The
16 additional factors identified by Mr. Sarem are in fact being addressed by the
17 FPSC. First, as Mr. Sarem recognizes, the FPSC has recently issued an order in
18 its generic UNE cost docket. While Mr. Sarem is correct that BellSouth, and
19 numerous other parties, have sought reconsideration on certain portions of the
20 order, there is no reason to doubt that the FPSC's commitment to cost-based rates
21 will be reflected in the ultimate outcome. Next, the FPSC is currently considering
22 the issue of performance measures and enforcement mechanisms which will be
23 designed to provide additional incentives for BellSouth to meet its obligation and
24 prevent any backsliding on these obligations once BellSouth is granted 271 relief.
25 Therefore, Mr. Sarem's endorsement of BellSouth's entry into the long distance

1 market is appropriate.

2

3 Q. DOES THIS CONCLUDE YOUR REPLY TESTIMONY?

4

5 A. Yes.

6 (#403735)

7

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9

10

11

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 960786-TP

EXHIBIT CKC-6



NEWS

Federal Communications Commission
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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 815 F.2d 383 (D.C. Cir. 1987).

FOR IMMEDIATE RELEASE:
May 21, 2001

NEWS MEDIA CONTACT:
Mike Balmoris at (202) 418-0253
Email: mbalmori@fcc.gov

FEDERAL COMMUNICATIONS COMMISSION RELEASES LATEST DATA ON LOCAL TELEPHONE COMPETITION

Total Lines Reported by New Entrants Climbed to 16.4 Million

Washington, D.C. – The Federal Communications Commission (FCC) today released summary statistics of its latest data on local telephone service competition in the United States. Providers file such data twice a year under the Commission's local competition and broadband data gathering program. This program was adopted in March 2000 to assist the Commission in its efforts to monitor and further implement the pro-competitive, deregulatory provisions of the Telecommunications Act of 1996.

The information released today was filed by qualifying providers on March 1, 2001, and reflects data as of December 31, 2000. Noteworthy data include:

1. **New Entrant Phone Lines Continue Robust Increases**
 - CLECs reported about 16.4 million (or 8.5%) of the approximately 194 million nationwide local telephone lines in service to end-user customers at the end of the year 2000, compared to 8.3 million (or 4.4% of nationwide lines) at the end of 1999.
 - CLEC market share grew 93% over the one-year period of January to December 2000.
2. **States with Long Distance Approval Show Greatest Competitive Activity**
 - CLECs captured 20% of the market in the State of New York – the most of any state. CLECs reported 2.8 million lines in New York, compared to 1.2 million lines the prior year – an increase of over 130%, from the time the FCC granted Verizon's long distance application in New York in December 1999 to December 2000.
 - CLECs captured 12% of the market in Texas, gaining over a half-a-million (644,980) end-user lines in the six months since the Commission authorized SBC's long distance application in Texas – an increase of over 60% in customer lines since June of 2000.
 - CLEC market share in New York and Texas (the two states that had 271 approval during the reporting period ending in December 2000) are over 135% and 45% higher than the national average, respectively.

-- more --

3. Residential vs. Business Competition

- About 60% of CLEC local telephone lines served medium and large business, institutional, and government customers. By contrast, almost 20% of incumbent local exchange carrier (ILEC) lines served medium and large business customers.
- CLECs served 4.6% of the residential and small business customers at the end of the year 2000, compared to 2.3% for the year ago period.
- CLEC share of the residential and small business customer market grew nearly 45% during the six-month period of June 2000 to December 2000.

4. Mode of Competitive Entry and Other Data

- CLECs provided about 35% of their end-user customer lines over their own local loop facilities. Incumbent telephone companies provided about 6.8 million resale lines as of the end of the year 2000, compared to about 5.7 million lines six months earlier, and they provided about 5.3 million UNE loops as of the end of the year 2000, an increase of 62% during the six months.
- At least one CLEC was serving customers in 56% of the nation's zip codes at the end of the year 2000.
- About 88% of United States households reside in these zip codes. CLECs reported lines in all states except Hawaii, and also in the District of Columbia and Puerto Rico.
- The 77 providers of mobile wireless telephone services that reported information served over 101 million subscribers at the end of the year 2000, compared to about 91 million subscribers at the end of the prior six months period.

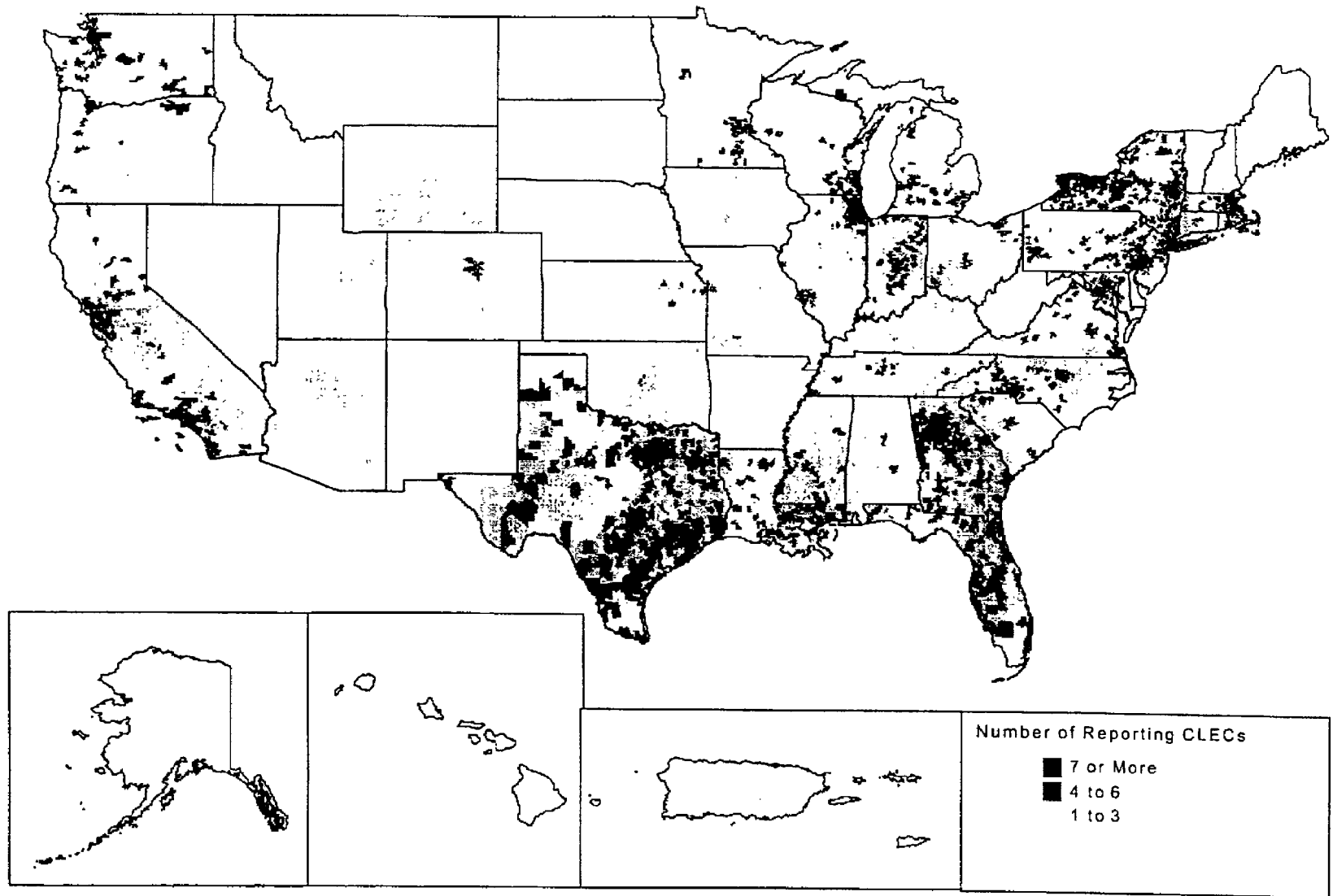
As additional information becomes available, it will be routinely posted on the Commission's Internet site. The Commission recently accepted comments on whether certain modifications should be made to the reporting system.

The data summary is available in the FCC's Reference Information Center, Courtyard Level, 445 12th Street, S.W., Washington, D.C. Call International Transcription Services, Inc. (ITS) at (202) 857-3800 to purchase a copy. The data summary can also be downloaded from the FCC-State Link Internet site at <www.fcc.gov/ccb/stats>.

- FCC -

Common Carrier Bureau contact: Industry Analysis Division at (202) 418-0940; TTY (202) 418-0484.

Reporting CLECs by Zip Code
(As of December 31, 2000)



LOCAL TELEPHONE COMPETITION: STATUS AS OF DECEMBER 31, 2000

Industry Analysis Division
Common Carrier Bureau
Federal Communications Commission
May 2001



This report is available for reference in the FCC's Reference Information Center, Courtyard Level, 445 12th Street, S.W., Washington, D.C. Copies may be purchased by calling International Transcription Services, Inc. (ITS) at (202) 857-3800. The report can also be downloaded from the **FCC-State Link** Internet site at <www.fcc.gov/ccb/stats>. For additional information, contact the Common Carrier Bureau's Industry Analysis Division at (202) 418-0940, or for users of TTY equipment, call (202) 418-0484.

Local Telephone Competition: Status as of December 31, 2000

We present here summary statistics of the latest data on local telephone services competition in the United States as reported in the Commission's local competition and broadband data gathering program (FCC Form 477). The summary statistics provide a snapshot of local telephone service competition and state-specific mobile wireless telephone subscribership as of December 31, 2000.¹

Based on the latest information now available, readers can draw the following broad conclusions:

- Competitive local exchange carriers (CLECs) reported 16.4 million (or 8.5%) of the approximately 194 million nationwide local telephone lines that were in service to end-user customers at the end of the year 2000, compared to 12.7 million (or 6.7% of nationwide lines) six months earlier. This represents a 29% growth in CLEC market size during the second half of the year 2000. See Table 1.
- About 60% of CLEC local telephone lines served medium and large business, institutional, and government customers at the end of the year 2000. By contrast, about 20% of incumbent local exchange carrier (ILEC) local telephone lines served such customers. See Table 2.
- CLECs reported providing about 35% of end-user customer lines over their own local loop facilities at the end of the year 2000.² To serve the remainder of their end-user lines, CLECs resell the

¹ Qualifying carriers reported data for December 31, 2000 in filings due on March 1, 2001. (Qualification status is determined separately for each state. If a carrier has at least 10,000 local telephone lines in service in a state, it must file local telephone data for that state.) Earlier FCC Form 477 filings reported data as of December 31, 1999 and as of June 30, 2000. See Federal Communications Commission, Common Carrier Bureau, Industry Analysis Division, *Local Telephone Competition at the New Millennium* (rel. Aug. 2000) and *Local Telephone Competition: Status as of June 30, 2000* (rel. Dec. 2000), available at <www.fcc.gov/ccb/stats>. During this data gathering program, qualifying service providers will file FCC Form 477 each year on March 1 (reporting data for the preceding December 31) and September 1 (reporting data for June 30 of the same year). An updated FCC Form 477, and Instructions for that particular form, for each specific round of the data collection may be downloaded from the FCC Forms website at <www.fcc.gov/formpage.html>. FCC Form 477 replaced a previous, voluntary data gathering program which was administered by the Common Carrier Bureau. See *Local Competition and Broadband Reporting*, CC Docket No. 99-301, Notice of Proposed Rulemaking, 14 FCC Red 18106 (rel. Oct. 22, 1999).

² A reporting carrier should own the "last mile" of wire, cable, or optical fiber that connects to the end-user premises (or own the equivalent fixed wireless facility) if it reports providing the local telephone line over its own facilities. In general, local exchange and exchange access lines provisioned over facilities (other than dark fiber) and services obtained from another carrier are not the reporting carrier's "own facilities" for purposes of this data collection, irrespective of whether those facilities or services are obtained under interconnection arrangements, under tariff, or by other means. In particular, owning the switch that provides dialtone (and other services) over a UNE loop leased from another carrier does not qualify a line as being provisioned over the reporting carrier's own facilities. We believe the reports of at least some CLECs are not consistent with these directions, and we expect such providers to report data more accurately as they gain experience with the program. We also expect that there may be some need (continued....)

services of other carriers or use unbundled network element (UNE) loops that they lease from other carriers.³ See Table 3.

- ILECs reported providing about 6.8 million lines to other carriers on a resale basis at the end of the year 2000, compared to about 5.7 million lines six months earlier. The number of UNE loops that ILECs reported providing to other carriers increased more rapidly, by 62%, to a total of about 5.3 million.⁴ See Table 4.
- Considering the technology deployed in the “last few feet” to the end-user customer’s premises, about 1% of nationwide local telephone lines in service at the end of the year 2000, or about 1.2 million lines, terminated at the end-user customer’s premises over coaxial cable facilities. Less than 1% of lines terminated over fixed wireless facilities. See Table 5.
- The Commission’s data collection program provides information about CLEC local telephone lines (and the CLEC share of total end-user lines in service) in individual states. Relatively large numbers of CLEC lines are associated with the more populous states.⁵ With respect to the calculated CLEC *share* of local telephone lines in service, however, relatively large values are reported for some less populous states, such as Kansas, Louisiana, and Minnesota, as well as for some more populous states, such as New York and Texas. See Table 6.
- At least one CLEC reported providing service in the District of Columbia, in Puerto Rico, and in all states except Hawaii. Four or more CLECs reported serving customers in 34 states and the

(Continued from previous page) _____
for further clarification and adjustment of the reporting system. The Commission recently accepted comments on whether modifications should be made to this data collection. See *Local Competition and Broadband Deployment*, CC Docket No. 99-301, Second Notice of Proposed Rulemaking (rel. Jan. 19, 2001).

³ UNE loops, as we use the term here, includes UNE loops leased from an ILEC on a stand-alone basis and also UNE loops leased in combination with UNE switching or with any other unbundled network element. For definitions of the various unbundled network elements, see *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, CC Docket 96-98, Third Report and Order and Fourth Further Notice of Proposed Rulemaking, 15 FCC Rcd 3696, 3932-3952 (rel. Nov. 5, 1999).

⁴ The numbers reported by ILECs may be slightly understated because smaller carriers are not required to report data. However, as the reporting ILECs account for about 98% of all ILEC lines, the understatement should not be large. (All ILECs, whether or not they normally report to the FCC, provide data on the number of telephone lines served to the National Exchange Carrier Association for use in conjunction with the Commission’s universal service mechanism.) We are less certain about the extent to which comparable lines as reported by CLECs are understated as a result of the state-specific reporting threshold, but we expect such understatement to be larger, on a percentage basis, than for ILECs.

⁵ The first and second largest numbers of CLEC lines are reported for New York and Texas which are, respectively, the third and second most populous states. The most populous state, California, has the third largest number of CLEC lines reported.

District of Columbia.⁶ See Table 7.

- The percentage of total CLEC end-user lines serving residential and small business customers varies among the states, and is generally lower than the corresponding ILEC percentage.⁷ See Table 8.
- By comparison to the roughly 194 million fixed-facility⁸ local telephone lines serving end-user customers, the 77 providers of mobile wireless telephone services that reported information served about 101 million subscribers at the end of the year 2000.⁹ About 9% of these subscribers received their service via a mobile telephone service reseller. See Table 9.
- The Commission's data collection program requires CLECs and ILECs to identify each zip code in which the provider serves at least one customer.¹⁰ As of December 31, 2000, at least one CLEC was serving customers in 56% of the nation's zip codes. About 88% of United States households reside in these zip codes. Moreover, multiple carriers report providing local telephone service in the major population centers of the country. See Table 10, Table 11, and the map that follows Table 11.

⁶ In the Form 477 due March 1, 2001, 165 ILECs filed a total of 331 state-specific reports on their local telephone service and 86 CLECs filed a total of 369 reports. Of these, 13 ILEC reports and 53 CLEC reports were from carriers that had fewer than 10,000 lines in a particular state and were thus voluntary. Qualifying carriers were required to report services in the fifty states, District of Columbia, Puerto Rico, and Virgin Islands. Carriers were invited, but not required, to make voluntary submissions for American Samoa, Guam, and the Northern Mariana Islands. No such voluntary submissions were received.

⁷ The smallest difference occurs in New York (67% for ILECs and 63% for CLECs).

⁸ That is, voice telephone lines provided by means of wireline or fixed wireless technology.

⁹ Facilities-based providers with fewer than 10,000 mobile wireless telephone service subscribers in a state (measured by revenue-generating handsets in service) are not required to report. A facilities-based mobile wireless telephone service provider serves subscribers using spectrum licenses that it owns or manages.

¹⁰ CLECs and ILECs are required to report, for states in which they have at least 10,000 local telephone lines in service, lists of zip codes where they have subscribers. Providers of mobile wireless telephone service do not report zip codes.

- In Florida, Georgia, New York, and Texas, at least one-quarter of the zip codes have seven or more reporting CLICs. By contrast, 8% of nationwide zip codes have seven or more reporting CLECs. See Table 12.

As other information from FCC Form 477 becomes available, it will be routinely posted on the Commission's Internet site. We invite users of the information presented in this statistical summary to provide suggestions for improved data collection and analysis by:

- Using the attached customer response form,
- E-mailing comments to eburton@fcc.gov,
- Calling the Industry Analysis Division at (202) 418-0940, or
- Participating in any formal proceedings undertaken by the Commission to solicit comments for improvement of FCC Form 477.

Table 1
Total End-User Lines Reported

	ILEC Lines	CLEC Lines	Total	CLEC Share
December 1999	181,307,695	8,318,244	189,625,939	4.4%
June 2000	178,864,907	12,746,924	191,611,831	6.7
December 2000	177,420,655	16,397,393	193,818,048	8.5

Table 2
End-User Lines by Customer Type

	Reporting ILECs			Reporting CLECs		
	Residential & Small Businesses	Other 1/	% Residential & Small Business	Residential & Small Businesses	Other 1/	% Residential & Small Businesses
December 1999	143,388,368	37,919,327	79%	3,373,662	4,944,582	41%
June 2000	140,486,770	38,378,137	79	4,597,807	8,149,117	36
December 2000	139,765,099	37,655,556	79	6,688,062	9,709,331	41

1/ Medium and large businesses, institutional, and government customers.

Table 3
Reporting Competitive Local Exchange Carriers
(End-User Lines in Thousands)

Date	CLECs Reporting	Total End-User Lines	Acquired Lines 1/	Percent	CLEC Owned Lines 2/	Percent
December 1999	81	8,318	5,471	65.8 %	2,847	34.2 %
June 2000	76	12,747	8,443	66.2	4,304	33.8
December 2000	87	16,397	10,649	64.9	5,748	35.1

1/ Lines acquired from other carriers as UNE loops or under resale arrangements.

2/ Lines provided over CLEC-owned "last-mile" facilities.

Table 4
Reporting Incumbent Local Exchange Carriers
(Lines in Thousands)

Date 1/	ILECs Reporting	Total Lines	End-User Lines	Lines Provided to Other Carriers			
				Lines Resold	UNE Loops Leased	Total	Percent of Total Lines
December 1997	9	159,008	157,132	1,743	133	1,876	1.2 %
June 1998	8	161,810	159,118	2,448	244	2,692	1.7
December 1998	7	164,614	161,191	3,062	361	3,423	2.1
June 1999	7	167,177	162,909	3,583	685	4,268	2.6
December 1999	168	187,431	181,308	4,649	1,474	6,123	3.3
June 2000	160	187,784	178,865	5,662	3,257	8,919	4.7
December 2000	170	189,512	177,421	6,822	5,269	12,091	6.4

1/ Data for December 1997 through June 1999 are from Common Carrier Bureau voluntary surveys. Data starting with December 1999 are from FCC Form 477 filings.

Table 5
End-user Access Lines by Type of Technology, in Thousands
(As of December 31, 2000)

Technology	ILECs		CLECs		Total	
	Lines (000s)	Percent	Lines (000s)	Percent	Lines (000s)	Percent
Coaxial Cable	62	0%	1,125	7%	1,187	1%
Fixed Wireless	29	0	451	3	480	0
Other (Including Traditional Wireline)	177,330	100	14,821	90	192,151	99
Total	177,421	100	16,397	100	193,818	100

Table 6
End-User Lines Served by Reporting Local Exchange Carriers
(As of December 31, 2000)

State	ILECs	CLECs	Total	CLEC Share
Alabama	2,351,704	191,299	2,543,003	8 %
Alaska	481,684	*	*	*
Arizona	3,073,779	146,480	3,220,259	5
Arkansas	1,733,035	*	*	*
California	23,467,042	1,492,585	24,959,627	6
Colorado	2,833,948	286,955	3,120,903	9
Connecticut	2,422,012	154,349	2,576,361	6
Delaware	555,913	*	*	*
District of Columbia	922,531	94,850	1,017,381	9
Florida	11,079,693	1,007,756	12,087,449	8
Georgia	4,820,788	551,316	5,372,104	10
Hawaii	744,205	0	744,205	0
Idaho	733,580	*	*	*
Illinois	7,887,152	831,917	8,719,069	10
Indiana	3,576,825	209,660	3,786,485	6
Iowa	1,413,303	164,069	1,577,372	10
Kansas	1,520,616	220,328	1,740,944	13
Kentucky	2,122,021	56,392	2,178,413	3
Louisiana	2,415,935	380,947	2,796,882	14
Maine	804,652	*	*	*
Maryland	3,802,622	165,502	3,968,124	4
Massachusetts	4,252,502	509,731	4,762,233	11
Michigan	6,283,406	382,073	6,665,479	6
Minnesota	2,961,241	503,775	3,465,016	15
Mississippi	1,304,145	68,891	1,373,036	5
Missouri	3,485,411	203,537	3,688,948	6
Montana	529,878	*	*	*
Nebraska	949,217	*	*	*
Nevada	1,394,708	*	*	*
New Hampshire	805,143	52,137	857,280	6
New Jersey	6,747,131	323,680	7,070,811	5
New Mexico	957,195	*	*	*
New York	10,962,969	2,769,814	13,732,783	20
North Carolina	5,071,853	286,436	5,358,289	5
North Dakota	317,270	*	*	*
Ohio	6,935,139	264,461	7,199,600	4
Oklahoma	1,636,845	102,456	1,739,301	6
Oregon	2,109,510	70,221	2,179,731	3
Pennsylvania	8,017,391	870,618	8,888,009	10
Puerto Rico	1,299,291	*	*	*
Rhode Island	627,784	*	*	*
South Carolina	2,260,645	108,233	2,368,878	5
South Dakota	309,349	*	*	*
Tennessee	3,291,602	296,281	3,587,883	8
Texas	12,063,098	1,687,586	13,750,684	12
Utah	1,174,625	114,649	1,289,274	9
Vermont	400,929	*	*	*
Virgin Islands	NA	0	0	0
Virginia	4,317,626	414,432	4,732,058	9
Washington	3,784,183	309,482	4,093,665	8
West Virginia	927,432	*	*	*
Wisconsin	3,223,663	321,720	3,545,383	9
Wyoming	256,434	*	*	*
Nationwide	177,420,655	16,397,393	193,818,048	8

Note: Carriers with under 10,000 lines in a state were not required to report.

* Data withheld to maintain firm confidentiality.

Table 7
Number of Reporting Local Exchange Carriers
(As of December 31, 2000)

State	ILECs	CLECs	Total
Alabama	9	4	13
Alaska	4	2	6
Arizona	3	5	8
Arkansas	4	1	5
California	8	14	22
Colorado	3	6	9
Connecticut	2	6	8
Delaware	1	1	2
District of Columbia	1	7	8
Florida	8	19	27
Georgia	14	19	33
Hawaii	1	0	1
Idaho	4	1	5
Illinois	7	15	22
Indiana	7	12	19
Iowa	7	4	11
Kansas	5	6	11
Kentucky	11	4	15
Louisiana	5	8	13
Maine	6	2	8
Maryland	1	10	11
Massachusetts	1	11	12
Michigan	6	9	15
Minnesota	19	12	31
Mississippi	5	5	10
Missouri	7	8	15
Montana	7	2	9
Nebraska	6	3	9
Nevada	6	3	9
New Hampshire	5	4	9
New Jersey	3	10	13
New Mexico	2	2	4
New York	8	23	31
North Carolina	15	9	24
North Dakota	8	2	10
Ohio	10	10	20
Oklahoma	9	5	14
Oregon	8	5	13
Pennsylvania	10	18	28
Puerto Rico	1	1	2
Rhode Island	1	3	4
South Carolina	15	5	20
South Dakota	6	2	8
Tennessee	13	9	22
Texas	15	25	40
Utah	4	4	8
Vermont	4	1	5
Virgin Islands	0	0	0
Virginia	5	10	15
Washington	7	10	17
West Virginia	2	1	3
Wisconsin	10	10	20
Wyoming	2	1	3
Nationwide - Unduplicated	165	86	251
Total State Filings 1/	331	369	700
Required Filings 1/	318	316	634
Voluntary Filings 1/	13	53	66

1/ Each report represents all of a company's operations in a given state. Carriers with both ILEC and CLEC operations in the same state provide separate reports.

Table 8
Percentage of Lines Provided to Residential and Small Business Customers
(As of December 31, 2000)

State	ILECs	CLECs
Alabama	88%	5%
Alaska	64	*
Arizona	78	47
Arkansas	89	*
California	81	48
Colorado	75	58
Connecticut	85	43
Delaware	66	*
District of Columbia	33	13
Florida	87	22
Georgia	90	36
Hawaii	84	NA
Idaho	78	*
Illinois	76	38
Indiana	79	23
Iowa	75	54
Kansas	86	12
Kentucky	82	86
Louisiana	87	7
Maine	78	*
Maryland	64	10
Massachusetts	67	35
Michigan	79	25
Minnesota	75	19
Mississippi	87	45
Missouri	86	19
Montana	82	*
Nebraska	84	*
Nevada	77	*
New Hampshire	74	43
New Jersey	67	23
New Mexico	80	*
New York	67	63
North Carolina	86	10
North Dakota	79	*
Ohio	81	26
Oklahoma	86	29
Oregon	78	52
Pennsylvania	73	39
Puerto Rico	93	*
Rhode Island	71	*
South Carolina	86	33
South Dakota	69	*
Tennessee	89	14
Texas	85	52
Utah	74	29
Vermont	74	*
Virgin Islands	NA	NA
Virginia	67	41
Washington	78	28
West Virginia	76	*
Wisconsin	83	31
Wyoming	70	*
Nationwide	79%	41%

* Data withheld to maintain firm confidentiality.

NA.: Not applicable; no data reported.

Table 9
Mobile Wireless Telephone Subscribers

State	Dec 2000 Reporting Carriers 1/	Dec 2000 Percent Resold 2/	Subscribers Dec 1999	Subscribers June 2000	Subscribers Dec 2000	Percent Change Dec 99 - Dec 00
Alabama	9	1%	1,080,410	1,253,084	1,386,294	28%
Alaska	*	*	165,221	169,892	*	*
Arizona	11	7	1,125,321	1,624,668	1,829,695	63
Arkansas	5	2	719,919	715,467	743,928	3
California	10	5	8,544,941	12,283,369	12,649,508	48
Colorado	8	4	1,552,718	1,654,989	1,856,075	20
Connecticut	6	7	1,077,089	1,136,618	1,277,123	19
Delaware	6	0	270,848	275,219	371,014	37
District of Columbia	6	10	910,116	333,815	928,962	2
Florida	9	6	5,158,079	4,983,478	6,369,985	23
Georgia	11	6	2,538,983	2,687,238	2,739,000	8
Hawaii	7	0	288,425	454,364	524,291	82
Idaho	4	23	271,436	296,066	344,564	27
Illinois	10	10	3,922,482	4,309,660	5,143,767	31
Indiana	10	6	1,318,975	1,717,378	1,715,074	30
Iowa	7	62	774,773	975,629	832,106	7
Kansas	10	4	669,472	724,024	801,293	20
Kentucky	9	2	911,700	999,544	942,545	3
Louisiana	11	4	1,227,106	1,294,693	1,306,457	6
Maine	5	32	187,003	283,640	359,786	92
Maryland	7	6	1,473,494	2,013,058	1,894,251	29
Massachusetts	6	4	1,892,014	2,228,169	2,649,130	40
Michigan	11	9	3,512,813	3,423,535	3,488,826	- 1
Minnesota	12	2	1,550,411	1,595,560	1,740,654	12
Mississippi	7	0	673,355	509,038	786,577	17
Missouri	8	8	1,855,452	1,848,775	1,767,411	- 5
Montana	*	12	*	*	*	*
Nebraska	5	1	576,296	600,885	659,380	14
Nevada	6	3	750,335	825,163	684,752	- 9
New Hampshire	8	35	280,508	309,263	387,264	38
New Jersey	6	2	2,289,181	2,750,024	3,575,130	56
New Mexico	5	41	363,827	395,111	443,343	22
New York	6	11	4,833,816	5,016,524	5,736,660	19
North Carolina	11	13	2,536,068	2,730,178	3,105,811	22
North Dakota	*	2	*	*	*	*
Ohio	11	6	3,237,786	3,278,960	3,987,192	23
Oklahoma	13	10	826,637	979,513	2,271,755	175
Oregon	8	11	914,848	1,082,425	1,201,207	31
Pennsylvania	10	6	2,767,474	3,850,372	4,014,894	45
Puerto Rico	4	27	*	1,090,005	926,448	*
Rhode Island	6	39	279,304	313,550	355,889	27
South Carolina	9	7	1,137,232	1,236,338	1,392,586	22
South Dakota	*	3	*	*	*	*
Tennessee	10	11	1,529,054	1,876,444	1,962,568	28
Texas	19	8	5,792,453	6,705,423	7,489,180	29
Utah	8	5	643,824	692,006	750,244	17
Vermont	*	13	*	*	*	*
Virgin Islands	0	NA	*	0	0	NA
Virginia	12	8	1,860,262	2,447,687	2,450,289	32
Washington	9	8	1,873,475	2,144,767	2,286,082	22
West Virginia	6	25	241,265	347,916	355,989	48
Wisconsin	10	45	1,525,818	1,342,908	1,595,728	5
Wyoming	4	1	127,634	*	*	*
Nationwide	77	9%	79,696,083	90,643,058	101,212,054	27%

* Data withheld to maintain firm confidentiality.

1/ Carriers with under 10,000 subscribers in a state were not required to report.

2/ Percentage of mobile wireless subscribers receiving their service from a mobile wireless reseller.

Table 10
Percentage of Zip Codes with Competitive Local Exchange Carriers

Number of CLECs	June 2000	December 2000
0	46.2 %	44.5 %
1	19.8	17.0
2	9.1	10.3
3	6.8	7.2
4	5.1	5.3
5	3.9	4.1
6	2.4	2.9
7	1.7	2.3
8	1.3	1.7
9	1.1	1.4
10 or More	2.6	3.4

Table 11
Households in Zip Codes with Competitive Local Exchange Carriers

Number of CLECs	June 2000		December 2000	
	Households	Percentage	Households	Percentage
0	14,039,322	13.6	12,514,914	12.1
1	14,055,272	13.6	11,054,909	10.7
2	12,244,926	11.8	11,034,005	10.7
3	12,670,581	12.3	12,118,475	11.7
4	11,846,579	11.5	11,512,655	11.1
5	10,072,717	9.7	9,891,501	9.6
6	6,565,183	6.4	7,307,707	7.1
7	4,651,512	4.5	6,324,420	6.1
8	3,820,321	3.7	4,993,994	4.8
9	3,896,028	3.8	4,532,116	4.4
10	2,844,442	2.8	3,660,306	3.5
11	2,797,818	2.7	2,783,552	2.7
12	1,560,567	1.5	1,871,163	1.8
13	889,929	0.9	1,207,409	1.2
14	614,351	0.6	770,919	0.7
15	256,630	0.2	736,244	0.7
16	281,485	0.3	430,972	0.4
17	162,502	0.2	225,363	0.2
18	108,502	0.1	204,341	0.2
> 18	0	0.0	203,702	0.2

1/ Demographic Power Pack, Current Year Update (2000), MapInfo Corporation.

Reporting CLECs by Zip Code
(As of December 31, 2000)

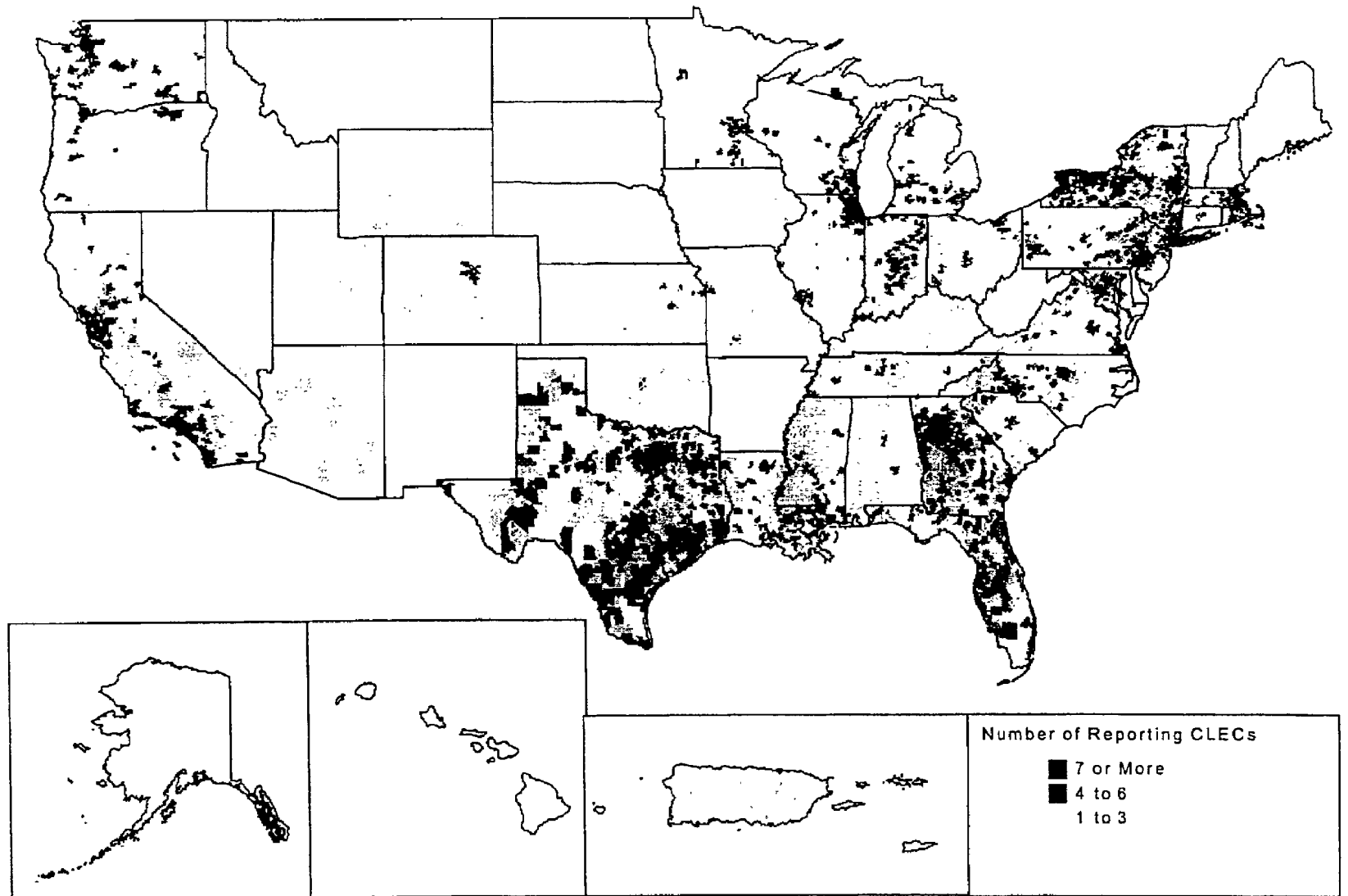


Table 12
Percentage of Zip Codes with Competitive Local Exchange Carriers
(As of December 31, 2000)

State	Number of CLECs					
	Zero	One - Three	Four	Five	Six	Seven or More
Alabama	45 %	51 %	4 %	0 %	0 %	0 %
Alaska	76	24	0	0	0	0
Arizona	45	55	0	0	0	0
Arkansas	97	3	0	0	0	0
California	15	39	10	8	7	21
Colorado	48	39	8	3	2	0
Connecticut	1	94	4	0	0	0
Delaware	95	5	0	0	0	0
District of Columbia	19	30	7	15	11	19
Florida	6	27	9	10	9	39
Georgia	7	48	7	6	6	27
Hawaii	100	0	0	0	0	0
Idaho	99	1	0	0	0	0
Illinois	50	27	4	2	2	15
Indiana	34	45	7	5	3	5
Iowa	64	36	0	0	0	0
Kansas	68	29	2	1	0	0
Kentucky	67	33	0	0	0	0
Louisiana	25	45	9	6	12	3
Maine	97	3	0	0	0	0
Maryland	37	35	9	7	6	7
Massachusetts	11	37	18	14	7	13
Michigan	23	61	7	5	2	1
Minnesota	46	42	4	5	2	1
Mississippi	9	80	10	1	0	0
Missouri	73	19	4	3	1	0
Montana	95	5	0	0	0	0
Nebraska	86	14	0	0	0	0
Nevada	61	39	0	0	0	0
New Hampshire	64	36	0	0	0	0
New Jersey	8	62	13	10	5	2
New Mexico	95	5	0	0	0	0
New York	7	38	8	8	7	32
North Carolina	49	35	4	5	4	3
North Dakota	94	6	0	0	0	0
Ohio	53	33	7	5	2	1
Oklahoma	71	27	2	0	0	0
Oregon	16	70	12	1	0	0
Pennsylvania	32	42	5	6	5	10
Puerto Rico	1	99	0	0	0	0
Rhode Island	46	54	0	0	0	0
South Carolina	41	45	14	0	0	0
South Dakota	90	10	0	0	0	0
Tennessee	58	33	6	3	0	0
Texas	16	30	7	6	4	36
Utah	60	40	0	0	0	0
Vermont	77	23	0	0	0	0
Virgin Islands	100	0	0	0	0	0
Virginia	50	34	7	6	2	1
Washington	29	40	11	12	4	3
West Virginia	100	0*	0	0	0	0
Wisconsin	51	30	5	7	4	2
Wyoming	74	26	0	0	0	0
Nationwide	44%	34%	5%	4 %	3%	9%

* Greater than zero but less than 0.5%.

Customer Response

Publication: *Local Telephone Competition: Status as of December 31, 2000*

You can help us provide the best possible information to the public by completing this form and returning it to the Industry Analysis Division of the FCC's Common Carrier Bureau.

1. Please check the category that best describes you:

☐ press
☐ current telecommunications carrier
☐ potential telecommunications carrier
☐ business customer evaluating vendors/service options
☐ consultant, law firm, lobbyist
☐ other business customer
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☐ FCC employee
☐ other federal government employee
☐ state or local government employee
☐ Other (please specify) _____

2. Please rate the report:
- | | Excellent | Good | Satisfactory | Poor | No opinion |
|----------------------|-----------|------|--------------|------|------------|
| Data accuracy | () | () | () | () | () |
| Data presentation | () | () | () | () | () |
| Timeliness of data | () | () | () | () | () |
| Completeness of data | () | () | () | () | () |
| Text clarity | () | () | () | () | () |
| Completeness of text | () | () | () | () | () |

3. Overall, how do you rate this report?
- | | Excellent | Good | Satisfactory | Poor | No opinion |
|--|-----------|------|--------------|------|------------|
| | () | () | () | () | () |

4. How can this report be improved?
- _____
- _____
- _____

5. May we contact you to discuss possible improvements?

Name:

Telephone #:

To discuss the information in this report contact: call 202-418-0940 or for users of TTY equipment, call (202) 418-0484		
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User Groups

	UNE-P User Group
	Collocation User Group
	Resale User Group
	Facility Based User Group

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UNE-P User Group

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BellSouth-CLEC User Groups

Rules of Engagement

The next UNE-P User Group meeting will be during the CLEC Inform at the Hilton Hotel-Downtown in Atlanta, GA on **July 17**.

Member Directory

**255 Courtland Street NE
404-659-2000
1:30am-4:30pm**

Minutes

• Presentations

Action Plan

If you are not planning to come to Atlanta for this meeting, you may still join and actively participate. A conference bridge will be established to allow your participation. You may join by calling in on bridge number **205-970-3743** access code **6484**.

Attendees are responsible for their own hotel accommodations. In order to confirm your attendance or attendance at the meeting either by physical attendance or attendance by conference bridge, please contact Ellen Shepard via e-mail at ellen.m.shepard@bellsouth.com. Or call Ellen at **770-936-3754** by **July 10, 2001** so that we may accommodate your seating and break time food requirements. Let us know how many **UNE-P** people will be attending for your company. Please provide the following information for all attendees when you call or e-mail Ellen:

- Name of attendee
- Job title or function
- Name of company
- Contact telephone number and email address
- Attending in person
- Attending on conference bridge

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UNE-P User Group - Rules of Engagement

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BellSouth-CLEC User Groups

Rules of Engagement

Unless otherwise specified, these meetings will take place via Conference Bridge. When appropriate and convenient for the CLEC, the CLEC members may attend in person in Atlanta, Georgia at BellSouth Executive Conference Center or at the designated meeting location.

Member Directory

Minutes

• Presentations

Action Plan

Membership will be comprised of representatives from each participating CLEC and BellSouth companies. The User Group will be open to all CLECs who do business in BellSouth region. CLECs must either be using UNE-P or in the negotiation phase for using the product.

The User Group is not meant to replace, supercede or impose on the existing Change Control Process, activity with the Account Team, Training, CSM or other established process for issue resolution or new business activity. Each company may bring or add on the conference call the number of participants necessary to represent their position. BST recommends three (3) to five (5) CLEC participants. If the number of participants grow to be unmanageable, CLECs and BellSouth will revisit the issues of representation to apply some restrictions.

Each meeting will begin with a roll call to take attendance.

Attorneys are NOT invited to participate so that the sessions are kept at a business operations-level. This is not a forum for legal and regulatory issues. During roll call if any attorneys are on the conference call or in attendance, they will be asked to disconnect themselves from the meeting.

Each member must provide the name of a back-up representative who will take his or her place in case the original member is unable to participate in a workshop. This will allow some continuity of knowledge in the organization. Meeting minutes will be provided one (1) week after the workshop. This should keep representatives and their designees informed and up-to-date for participation.

SCOPE

- The scope of the User Group will include:
- Business Processes
- Ordering and Provisioning

- Network Operations
- Maintenance and Repair
- Billing
- Other

The scope of the UNE-P User Group will not include:

- Change Control Issues
- BonaFide or New Business Requests
- Contractual Agreements
- Testing Support (i.e. Negotiating/coordinating test agreements and dates)
- Pricing
- Products other than UNE-P
- Legal and Regulatory Issues

REQUIREMENTS FOR PARTICIPATION

The minimum requirements for participation in the UNE-P User Group electronically are:

- Word 6.0 or greater
- Excel 5.0 or greater
- Internet E-mail address
- Web access

FORMAT OF USER GROUP WORKSHOP

The workshops will be 1/2 day long depending on the subject matter and the number of issues to be discussed. The Facilitator will summarize each day's activities and clearly outline the structure for the next meeting.

Unless otherwise specified, the workshops will begin at 8:30 AM EST and end at 12:30 PM EST.

RESPONSIBILITIES

BellSouth Responsibilities:

- Facilitate meeting.
- Collect issues submitted by CLECs.
- Develop the meeting agenda and determine logistics.
- Compile meeting minutes.
- Develop and maintain action plan. The action plan will show status of each issue, date opened, date closed, pending, expected resolution date, etc.
- Post meeting minutes and action plan on web site one (1) week after the meeting.

CLECs Responsibilities:

- Access web site for meeting notice
- Submit issues and documentation via e-mail (two weeks in advance of meeting)
- Attend and participate in meetings
- Provide name, title, address, email address and contact telephone numbers for all participants
- Review User Group site and download documents as necessary www.interconnection.bellsouth.com/notifications/usergroups/

DOCUMENTATION

Agenda items must be submitted to the facilitator via e-mail two (2) weeks prior to the scheduled meeting. CLECs and BST must provide their issues in writing to the Facilitator via email. The Facilitator will compile all the lists, develop a working agenda and return to all members one (1) week before the meeting.

Each CLEC should bring examples to the workshop that will support the issue that they raise. For example:

- PON #
- date of trouble
- name of customer affected
- circuit #

Workshop documentation will contain membership rules, action plans, contact lists, updated process flows and minutes of each meeting.

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Collocation User Group

BellSouth-CLEC User Groups

The next Collocation User Group meeting will be at the BellSouth Conference Center (EPLC) in Atlanta, GA on **September 20.**

**1447 Northeast Expressway
Ballroom 2
404-321-8000**

8:30am-12:30pm

If you are not planning to come to Atlanta for this meeting, you may still join and actively participate. A conference bridge will be established to allow your participation. You may join by calling in on bridge number **205-970-3743** access code **6484**.

Attendees are responsible for their own hotel accommodations. In order to confirm your attendance or attendance at the meeting either by physical attendance or attendance by conference bridge, please contact Ellen Shepard via e-mail at ellen.m.shepard@bellsouth.com. Or call Ellen at **770-936-3754** by September 13, 2001 so that we may accommodate your seating and break time food requirements. Let us know how many Collocation people will be attending for your company. Please provide the following information for all attendees when you e-mail Ellen:

- Name of attendee
- Job title or function
- Name of company
- Contact telephone number and email address
- Attending in person
- Attending on conference bridge

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User Groups Home

Collocation User Group - Rules of Engagement

Announcement

BellSouth-CLEC User Groups

Rules of Engagement

Unless otherwise specified, these meetings will take place via Conference Bridge. When appropriate and convenient for the CLEC, the CLEC members may attend in person in Atlanta, Georgia at BellSouth Executive Conference Center or at the designated meeting location.

Member Directory

Minutes

Action Plan

Membership will be comprised of representatives from each participating CLEC and BellSouth companies. The User Group will be open to all CLECs who do business in BellSouth region. CLECs must either be using Collocation or in the negotiation phase for using the product.

The User Group is not meant to replace, supercede or impose on the existing Change Control Process, activity with the Account Team, Training, CSM or other established process for Issue resolution or new business activity. Each company may bring or add on the conference call the number of participants necessary to represent their position. BST recommends three (3) to five (5) CLEC participants. If the number of participants grow to be unmanageable, CLECs and BellSouth will revisit the issues of representation to apply some restrictions.

Each meeting will begin with a roll call to take attendance.

Attorneys are NOT invited to participate so that the sessions are kept at a business operations-level. This is not a forum for legal and regulatory issues. During roll call if any attorneys are on the conference call or in attendance, they will be asked to disconnect themselves from the meeting.

Each member must provide the name of a back-up representative who will take his or her place in case the original member is unable to participate in a workshop. This will allow some continuity of knowledge in the organization. Meeting minutes will be provided one (1) week after the workshop. This should keep representatives and their designees informed and up-to-date for participation.

SCOPE

The scope of the Collocation User Group will include:

- Business Processes

- Ordering and Provisioning
- Network Operations
- Maintenance and Repair
- Billing
- Other

The scope of the Collocation User Group will not include:

- Change Control Issues
- Contractual Agreements
- Pricing
- Products other than Collocation
- Legal and Regulatory Issues

REQUIREMENTS FOR PARTICIPATION

The minimum requirements for participation in the Collocation User Group electronically are:

- Word 6.0 or greater
- Excel 5.0 or greater
- Internet E-mail address
- Web access

FORMAT OF USER GROUP WORKSHOP

The workshops will be 1/2 day long depending on the subject matter and the number of issues to be discussed. The Facilitator will summarize each day's activities and clearly outline the structure for the next meeting.

Unless otherwise specified, the workshops will **begin at 8:30 AM EST** and end at **12:30 PM EST**.

RESPONSIBILITIES

BellSouth Responsibilities:

- Facilitate meeting.
- Collect issues submitted by CLECs.
- Develop the meeting agenda and determine logistics.
- Compile meeting minutes.
- Develop and maintain action plan. The action plan will show status of each issue, date opened, date closed, pending, expected resolution date, etc.
- Post meeting minutes and action plan on web site one (1) week after the meeting.

CLECs Responsibilities:

- Access web site for meeting notice

- *Submit issues and documentation via e-mail (two weeks in advance of meeting)*
- *Attend and participate in meetings*
- *Provide name, title, address, email address and contact telephone numbers for all participants*
- *Review User Group site and download documents as necessary*

www.interconnection.bellsouth.com/notifications/usergroups

DOCUMENTATION

Agenda items must be submitted to the facilitator via e-mail two (2) weeks prior to the scheduled meeting. CLECs and BellSouth must provide their issues in writing to the Facilitator via email. The Facilitator will compile all the lists, develop a working agenda and return to all members one (1) week before the meeting.

Each CLEC and BellSouth should bring examples to the workshop that will support the issue that they raise.

Workshop documentation will contain rules of engagement, action plans, contact lists, updated process flows and minutes of each meeting.

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Resale User Group

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BellSouth-CLEC User Groups

Rules of Engagement

The next Resale User Group meeting will be at the BellSouth Center in Atlanta, GA on August 21.

Member Directory

**Vall Auditorium
675 West Peachtree Street
404-927-7710**

Minutes

• Presentations

Action Plan

8:30am-12:30pm

If you are not planning to come to Atlanta for this meeting, you may still join and actively participate. A conference bridge will be established to allow your participation. You may join by calling in on bridge number **205-970-3743** access code **6484**.

Attendees are responsible for their own hotel accommodations. In order to confirm your attendance or attendance at the meeting either by physical attendance or attendance by conference bridge, please contact Ellen Shepard via e-mail at ellen.m.shepard@bellsouth.com. Or call Ellen at **770-936-3754** by **August 14, 2001** so that we may accommodate your seating and break time food requirements. Let us know how many **Resale** people will be attending for your company. Please provide the following information for all attendees when you e-mail Ellen:

- Name of attendee
- Job title or function
- Name of company
- Contact telephone number and email address
- Attending in person
- Attending on conference bridge

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Rules of Engagement for Resale User Group

Unless otherwise specified, these meetings will take place via Conference Bridge. When appropriate and convenient for the CLEC, the CLEC members may attend in person in Atlanta, Georgia at BellSouth Executive Conference Center or at the designated meeting location.

Membership will be comprised of representatives from each participating CLEC and BellSouth companies. The User Group will be open to all CLECs who do business in BellSouth region. CLECs must either be using Resale products or in the negotiation phase for using the product/service

The User Group is not meant to replace, supercede or impose on the existing Change Control Process, activity with the Account Team, Training, CSM or other established process for issue resolution or new business activity. Each company may bring or add on the conference call the number of participants necessary to represent their position. BST recommends three (3) to five (5) CLEC participants. If the number of participants grow to be unmanageable, CLECs and BellSouth will revisit the issues of representation to apply some restrictions.

Each meeting will begin with a roll call to take attendance.

Attorneys are NOT invited to participate so that the sessions are kept at a business operations-level. This is not a forum for legal and regulatory issues. During roll call if any attorneys are on the conference call or in attendance, they will be asked to disconnect themselves from the meeting.

Each member must provide the name of a back-up representative who will take his or her place in case the original member is unable to participate in a workshop. This will allow some continuity of knowledge in the organization. Meeting minutes will be provided one (1) week after the workshop. This should keep representatives and their designees informed and up-to-date for participation.

SCOPE

- The scope of the User Group will include:
- Business Processes
- Ordering and Provisioning
- Network Operations
- Maintenance and Repair
- Billing
- Other

The scope of the Resale User Group will not include:

- Change Control Issues
- BonaFide or New Business Requests
- Contractual Agreements
- Testing Support (i.e. Negotiating/coordinating test agreements and dates)
- Pricing
- Products other than Resale products
- Legal and Regulatory Issues

REQUIREMENTS FOR PARTICIPATION

The minimum requirements for participation in the Resale User Group electronically are:

- Word 6.0 or greater
- Excel 5.0 or greater
- Internet E-mail address
- Web access

FORMAT OF USER GROUP WORKSHOP

The workshops will be 1/2 day long depending on the subject matter and the number of issues to be discussed. The Facilitator will summarize each day's activities and clearly outline the structure for the next meeting.

Unless otherwise specified, the workshops will begin at 8:30 AM EST and end at 12:30 PM EST.

RESPONSIBILITIES

BellSouth Responsibilities:

- Facilitate meeting.
- Collect issues submitted by CLECs.
- Develop the meeting agenda and determine logistics.
- Compile meeting minutes.
- Develop and maintain action plan. The action plan will show status of each issue, date opened, date closed, pending, expected resolution date, etc.
- Post meeting minutes and action plan on web site one (1) week after the meeting.

CLECs Responsibilities:

- Access web site for meeting notice
- Submit issues and documentation via e-mail (two weeks in advance of meeting)
- Attend and participate in meetings
- Provide name, title, address, email address and contact telephone numbers for all participants
- Review User Group site and download documents as necessary
- www.interconnection.bellsouth.com/notifications/usergroups/

DOCUMENTATION

Agenda items must be submitted to the facilitator via e-mail two (2) weeks prior to the scheduled meeting. CLECs and BST must provide their issues in writing to the Facilitator via email. The Facilitator will compile all the lists, develop a working agenda and return to all members one (1) week before the meeting.

Each CLEC should bring examples to the workshop that will support the issue that they raise. For example:

PON #
date of trouble
name of customer affected
circuit #

Workshop documentation will contain membership rules, action plans, contact lists, updated process flows and minutes of each meeting.

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Facility Based User Group

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BellSouth-CLEC User Groups

Rules of Engagement

The next Facility-Based User Group meeting will be at the BellSouth Center in Atlanta, GA on **September 26**.

Member Directory

Minutes
• Presentations

Vail Auditorium
675 West Peachtree Street
404-927-7710
8:30am-12:30pm

Action Plan

If you are not planning to come to Atlanta for this meeting, you may still join and actively participate. A conference bridge will be established to allow your participation. You may join by calling in on bridge number **205-970-3743** access code **6484**.

Attendees are responsible for their own hotel accommodations. In order to confirm your attendance or attendance at the workshop either by physical attendance or attendance by conference bridge, please contact Ellen Shepard via e-mail at ellen.m.shepard@bellsouth.com. Or call Ellen at **770-936-3754** by **September 19, 2001** so that we may accommodate your seating and break time food requirements. Let us know how many **Facility-based** people will be attending for your company. Please provide the following information for all attendees when you call or e-mail Ellen:

- Name of attendee
- Job title or function
- Name of company
- Contact telephone number and email address
- Attending in person
- Attending on conference bridge

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Facility Based User Group Rules of Engagement

BellSouth-CLEC User Groups

Unless otherwise specified, these meetings will take place via Conference Bridge. When appropriate and convenient for the CLEC, the CLEC members may attend in person in Atlanta, Georgia at BellSouth Executive Conference Center or at the designated meeting location.

Membership will be comprised of representatives from each participating CLEC and BellSouth companies. The User Group will be open to all CLECs who do business in BellSouth region. CLECs must either be using Facility-based or in the negotiation phase for using the product.

The User Group is not meant to replace, supercede or impose on the existing Change Control Process, activity with the Account Team, Training, CSM or other established process for issue resolution or new business activity. Each company may bring or add on the conference call the number of participants necessary to represent their position. BST recommends three (3) to five (5) CLEC participants. If the number of participants grows to be unmanageable, CLECs and BellSouth will revisit the issues of representation to apply some restrictions.

Each meeting will begin with a roll call to take attendance.

Attorneys are NOT invited to participate so that the sessions are kept at a business operations-level. This is not a forum for legal and regulatory issues. During roll call if any attorneys are on the conference call or in attendance, they will be asked to disconnect themselves from the meeting.

Each member must provide the name of a back-up representative who will take his or her place in case the original member is unable to participate in a workshop. This will allow some continuity of knowledge in the organization. Meeting minutes will be provided one (1) week after the workshop. This should keep representatives and their designees informed and up-to-date for participation.

SCOPE

The scope of the Facility-based User Group will include:

- Business Processes
- Ordering and Provisioning
- Network Operations
- Maintenance and Repair
- Billing
- Other

The scope of the Facility-based User Group will not include:

- Change Control Issues
- Contractual Agreements
- Pricing
- Products other than Facility-based
- Legal and Regulatory Issues

REQUIREMENTS FOR PARTICIPATION

The minimum requirements for participation in the Facility-based User Group electronically are:

- Word 6.0 or greater
- Excel 5.0 or greater
- Internet E-mail address
- Web access

FORMAT OF USER GROUP WORKSHOP

The workshops will be 1/2 day long depending on the subject matter and the number of issues to be discussed. The Facilitator will summarize each day's activities and clearly outline the structure for the next meeting.

Unless otherwise specified, the workshops will begin at 8:30 AM ET and end at 12:30 PM ET.

RESPONSIBILITIES

BellSouth Responsibilities:

- Facilitate meeting.
- Collect issues submitted by CLECs.
- Develop the meeting agenda and determine logistics.
- Compile meeting minutes.

Develop and maintain action plan. The action plan will show status of each issue, date opened, date closed, pending, expected resolution date, etc.

Post meeting minutes and action plan on web site one (1) week

after the meeting.

CLECs Responsibilities:

- Access web site for meeting notice
- Submit issues and documentation via e-mail (two weeks in advance of meeting)
- Attend and participate in meetings
- Provide name, title, address, email address and contact telephone numbers for all participants
- Review User Group site and download documents as necessary
www.interconnection.bellsouth.com/notifications/usergroups

DOCUMENTATION

Agenda items must be submitted to the facilitator via e-mail two (2) weeks prior to the scheduled meeting. CLECs and BellSouth must provide their issues in writing to the Facilitator via email. The Facilitator will compile all the lists, develop a working agenda and return to all members one (1) week before the meeting.

Each CLEC and BellSouth should bring examples to the workshop that will support the issue that they raise.

Workshop documentation will contain rules of engagement, action plans, contact lists, updated process flows and minutes of each meeting.

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DOCKET NO. 960786-TP

EXHIBIT CKC-8

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Join Us for the

Agenda

3rd Annual 2001 Summer CLEC Inforum

Registration

July 15 - 17, 2001

Hotel Information

Atlanta Hilton & Towers
Atlanta, Georgia

Amidst the tightening capital markets and increasingly competitive environment, BellSouth has devoted its 3rd Annual 2001 Summer CLEC Inforum to providing you with information on how to improve operational efficiency.

In addition to networking opportunities with your BellSouth account executive, BellSouth subject matter experts and your peers, valuable educational workshops and sessions are planned. The sessions will provide you with the latest information on BellSouth products, Operational Support Systems, sales and marketing initiatives and operational issues.

Plus, there will be several exhibit tables designed to give you the opportunity to talk one-on-one with Subject Matter Experts in several areas such as the Complex Resale Support Group, Product Management and CLEC Training.

Make the commitment today to BellSouth by planning to join your CLEC peers at BellSouth's 3rd Annual Summer CLEC Inforum.



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Third Annual 2001 Summer CLEC Informum
July 14 - 17, 2001
Atlanta Hilton & Towers
"Taking Your Game to the Next Level - You Make the Call"

> Sunday, July 15, 2001	Session		Room
7:30 PM - 9:30 PM	"Pre-game Festivities" Welcome Reception	Exhibit Tables	Grand Salon West
> Monday, July 16, 2001	Session	Presenter	Room
7:30 AM	Warm-up (Continental Breakfast) & Registration		Prefunction Northwest
8:15 AM	Ice Breaker Welcome & The Morning Line-Up, Door Prizes	Laughing Matters Ric Reitz - Facilitator	Grand Ballroom West
8:30 AM	Grand Slam Initiatives The First Pitch Marketing Pitch	Quinton Sanders - Vice President, ACS Sales John Irwin - Vice President, ACS Marketing	Grand Ballroom West
9:00 AM	"The Future of the CLEC Market"	Rajan Shah - Managing Partner, Initial Ventures, LLC	Grand Ballroom West
10:00 AM	Refreshment Break		Prefunction Northwest
10:15 AM	Entertainment	Laughing Matters	
10:30 AM	Product Stats Transport...at the Next Level Enhanced Solutions Operator Services Operational Support Systems (OSS) Industrial Voice Mail	Elkott Bryant - Senior Director, Transport Products Tom Morgan - Senior Director, INS & Data Product Management Randy Walker - Operator Services Product Manager Jenny Patrick - Sales Director, OSS Judson Flynn - Product Manager	Grand Ballroom West
12:00 PM	Lunch & Exhibits * Website Demo & CLEC Newsletter Signup * Enhanced Solutions & Industrial Voice Mail * BellSouth Billing * Operator Services * Complex Resale Support Group (CRSG) & Customer Service Mgmt (CSMts)	* CLEC Training * Operational Support Systems (OSS) & Change Control * Online Reports Demo * User Groups & End-User Migration * Resale LCSC & BAPCO	Grand Ballroom Corridor
1:00 PM	Entertainment The Afternoon Line-up	Laughing Matters Ric Reitz - Facilitator	Grand Ballroom West
1:15 PM	End-User Migration New Processes allowing end users to switch local carriers	Miles Stautler - Project Manager, Core Project Management Carol Olson - Project Manager, Core Project Management	Grand Ballroom West
2:15 PM - 5:00 PM	Training Workshops Billing Overview Includes an overview of bill creation and delivery for Resale, UNE and CASS. This session will also address Access Daily Usage File (ADUF) and Optional Daily Usage File (ODUF).	Laura Walls - BellSouth Billing, Inc.	Rockdale/Forsythe

2:15 PM - 3:00 PM	Local Number Portability (LNP) Information will be provided in the areas of architecture, ordering, and provisioning of Local Number Portability. The background, capabilities, and current status of LNP in the BellSouth region will be discussed. In addition, the workshop will focus on the architecture of LNP and examine the call flow of a typical ported number. The ordering requirements will be presented along with snippets of the LSOG lines. Finally, the workshop will look at the CLEC/BellSouth responsibilities, interaction with the NPAC, and sequence of events required to successfully port a number.	Tom Roberts - Instructor	Fayette/Newton
2:15 PM - 5:00 PM	Tariffs Provides overview of selected tariffs pertinent to the BellSouth region. It will give insight as to the purpose and jurisdictions of tariffs from the perspectives of local exchange and access services within intrastate and interstate jurisdictions. The session will consist of two parts: "Understanding Tariffs" and "Tariff Web Site Navigation".	Steve Patterson - Instructor	Charlotte
2:15 PM - 5:00 PM	LENS Provides overview of LENS. It utilizes the BellSouth Business Rules for Local Ordering (BBRLO) and offers participants instructions on how to: 1. View Customer Service Records (CSR) for their own BellSouth accounts. 2. Verify Addresses 3. Issue orders for the following types of service: Bulk Orders Conversion As Is "Simple" New Service (Business)	Joan Burtnicker - Instructor	Delaware/Gwinet
5:45 PM	Home Depot for Turner Field Atlanta Braves vs. Tampa Bay Devil Rays Baseball Game		Convention Lobby
10:30 PM	First bus departs for Atlanta Hilton (Last bus leaves one hour after the end of the game)		Turner Field
> Tuesday, July 17, 2001	Session	Presenter	Room
8:30 AM	Warm-up (Continental Breakfast)		Prefunction Northwest
9:30 AM	"How to Improve Operational Efficiency" Session * Resale/UNE Ordering & Provisioning (Post-Sale) * Complex Resale and UNE Combination (non-UNE-P) (Pre-Sale) * Collocation	Tim Miller - Operations Director, Customer Relations Marilyn Hyman - Operations Director, Customer Service Managers Kara Delovich - Sales Support Manager, CRS Bonny King - Sales Support, Collocation	Fayette/Newton Henry Charlotte
10:30 AM	The 7th Inning Stretch (Break)		Prefunction Northwest
10:45 AM	"Work Stoppage Contingency Plans"	Marc Calvey - Assistant Vice President, KCS Sales	Grand Ballroom West
11:00 AM	"Mergers and Acquisitions - Your Responsibilities"	David Stark - Sales Director, IPS Resale	Grand Ballroom West
11:15 AM	"How to Provide Magical Customer Service" Bily Riggs is a world-class business and professional speaker who helps bring perception and reality together, dispelling crippling illusions while propelling managers and employees toward explosive success.	Bily Riggs - Motivational Speaker	Grand Ballroom West
1:30 PM - 4:30 PM	UNE-P User Group Session (must be registered for this session to attend)	Dr. Margaret Garvin - Policy & Regulatory Sales Support Director	Rockdale/Forsyth

The User Group will be open to all CLECs either currently using UNE-P or in the negotiation phase for some the product. This session is an open forum to discuss the topics related to UNE-P listed below.

The scope of the User Group will include:

Business Processes
Ordering and Provisioning
Network Operations
Maintenance and Repair
Billing

1:30 PM - 4:30 PM

Loop Make-up Workshop (must be registered to attend)

The Loop Make-up (LMU) User Group will provide an overview of the LMU Process, both mechanized and manual, to those CLECs who submit LMU requests and/or interpret LMU responses and qualify loops for xDSL and Loop Sharing Services. This detailed, technical session will provide information on submitting requests, Service Inquiries and Frequently Asked Questions. A thorough explanation will be provided on the responses that are returned, including common mistakes to avoid. Finally, a preview of future enhancements and an opportunity for CLECs to provide input for product improvement will be shared.

Laine Griffin - Project Manager
David Hill - Product Manager

Fayella Newton

Version: 87702891

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BellSouth Line Sharing Collaboratives

Welcome

- [Purpose of this web site](#)
- [General information pertaining to Line Sharing or all collaboratives](#)
- [A description of each collaborative](#)

Links to get to specific information relating to specific collaboratives

- [CO Based - BellSouth Owned Splitter](#)
- [CO Based - Data CLEC Owned Splitter](#)
- [RS Based - BellSouth Owned Splitter](#)
- [Line Splitting](#)

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BellSouth Line Sharing Collaboratives

Welcome/Menu

WELCOME:

Welcome to the BellSouth®/ Data CLEC (DLEC) Line Sharing Collaboratives Web Pages. This site has been developed for the benefit of participating DLEC members by providing an easily accessible and current source of information and links relating to the specific BellSouth / DLEC Collaborative and the BellSouth Line Sharing offering.

WHAT IS A LINE SHARING COLLABORATIVE:

A Line Sharing Collaborative is a regularly scheduled meeting between BellSouth and participating DLECs. During these meetings, the DLECs and BellSouth work together to develop, with the mutual agreement to, the processes and procedures required to implement Line Sharing in order to meet the requirements of the FCC 3rd Report and Order in CC Docket No. 98-147 and 4th Report and Order in CC Docket No. 96-98, released December 9, 1999 (Line Sharing Order).

WHERE / WHEN DO THESE COLLABORATIVES MEET:

Each collaborative meets in the BellSouth Center located in Atlanta, GA at 675 W. Peachtree St., and has a conference bridge available. For more information regarding meetings, suggested transportation, accommodations, parking, dress, etc., [CLICK HERE](#).

WHAT COLLABORATIVES ARE CURRENTLY ESTABLISHED:

To obtain additional information regarding specific collaboratives, [CLICK](#) on the desired Line Sharing Collaborative listed below.

These sites contain documents and links to the latest information, previous meeting minutes, and other pertinent information. Some information will be static, while other information may change on a quarterly, monthly or weekly basis.

Currently there are three (3) active collaboratives, as follows:

1. CENTRAL OFFICE (CO) BASED - BELL SOUTH OWNED SPLITTER

BellSouth owns the splitter located in the Central Office.

2. CO BASED - DLEC OWNED SPLITTER

DLEC owns the splitter located in its collocation area.

3. REMOTE SITE (RS) BASED - BELL SOUTH OWNED SPLITTER

BellSouth owns the splitter located at a Remote Site.

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BellSouth Line Sharing Collaboratives

Co-Based BellSouth Owned Splitter

WELCOME:

Welcome to the BellSouth® / Data CLEC (DLEC) CO Based - BellSouth Owned Splitter Line Sharing Collaborative(s) Home Page. This page provides information and links specific to the CO Based - BellSouth Owned Splitter Line Sharing Collaborative. This site has been developed for the benefit of participating DLEC collaborative members by providing an easily accessible and current source of Collaborative, and the BellSouth Line Sharing offering information.

WHAT IS 'CO BASED - BELLSOUTH OWNED SPLITTER' LINE SHARING:

For a detailed description of 'CO BASED - BELLSOUTH OWNED SPLITTER' Line Sharing, please see our Web page description - [CLICK HERE](#).

WHERE / WHEN DOES THIS COLLABORATIVES MEET:

This collaborative is scheduled to meet weekly in the BellSouth Center in Atlanta, GA, and has a conference bridge available (usually 205-970-3743 Access Code 6714). To be included in the distribution list for this collaborative - [CLICK HERE](#).

LINKS TO 'CO BASED - BELLSOUTH OWNED SPLITTER - LINE SHARING' DOCUMENTS / FLOWS:

Baseline Items

Works in Progress

[Meeting Minutes](#)

[Issues and Action Items Log](#)
6/18/01

[BILL EXAMPLE](#)

[CSR EXAMPLE](#)

[Jeopardy Matrix](#)

[LQS Job Aid](#)

[LQS Job Aid- LFACS Code List](#)

[LSOD Document 6/18/01](#)

[LSOD document detailed instruction](#)
document ver. 15 Updated 6/18/01

[LSR Example \(Manual\)](#)

[LSR Job Aid \(Manual\)](#)

[Line Sharing Maintenance Process
Flow \(Voice Trouble\) 6/18/01](#)

[Line Sharing Trouble Receipt Flow
\(Data Trouble\) 6/18/01](#)

[Subsequent Order Matrix 5/18/01](#)

[LMO SI Form](#)

[DLEC TAFI Access Document](#)

[CSOTS DLEC View Guide 5/11/01](#)

[CUSTOMER MOVEMENT](#)

[Customer Movement Answers
5/18/01](#)

[ADSL TO DLEC DATA MIGRATION](#)

[DLEC TO ADSL DATA MIGRATION](#)

[DLEC TO DLEC DATA MIGRATION](#)

[BELLSOUTH VOICE TO CLEC VOICE](#)

[Subsequent Order Process](#)

[DENIAL w/ LINE SHARING
DISCONNECT \(D or F\)
SUSPEND-RESTORE w/LINE
SHARING
TN CHANGE / CHANGE OF
ACCOUNT](#)

[INCOMPATIBLE USOCs
CRSG OPEN PON STATUS REPORT
DIAGRAMS](#)

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BellSouth Line Sharing Collaboratives

Co-Based DLEC Owned Splitter

WELCOME:

Welcome to the BellSouth /data CLEC (DLEC) CO Based - DLEC Owned Splitter Line Sharing Collaborative Home Page. This page provides information and links specific to the CO Based - DLEC Owned Splitter Line Sharing Collaborative. This site has been developed for the benefit of participating DLEC collaborative members by providing an easily accessible and current source of Collaborative, and the BellSouth Line Sharing offering information.

WHAT IS 'CO BASED - DLEC OWNED SPLITTER - LINE SHARING':

For a detailed description of 'CO BASED - DLEC OWNED SPLITTER' Line Sharing, please see our Web page description - [CLICK HERE](#).

WHERE / WHEN DOES THIS COLLABORATIVES MEET:

This collaborative is scheduled to meet weekly in the BellSouth Center in Atlanta, GA, and has a conference bridge available (usually (205) 970-3743 Access Code 6714). To be included in the distribution list for this collaborative - [CLICK HERE](#).

LINKS TO 'CO BASED - DLEC OWNED SPLITTER' LINE SHARING DOCUMENTS/FLOWS:

Baseline Items

Works in Progress

[COLLABORATIVE CHARTER](#)

[LSOD Example for DLEC Owned Splitter 5/10/01](#)

[COMMUNICATION MATRIX](#)

[PROJECTED MEETING SCHEDULE](#)

[CO DLEC Owned Splitter Trouble Receipt Flow 5/11/01](#)

[MEETINGS MINUTES](#)

[Action Items Log 6/29/01](#)

[NEBS COMPLIANT SPLITTER LIST](#)

[LSOD DOCUMENTdetailed instruction document ver. 14 Updated 5/18/01](#)

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BellSouth Line Sharing Collaboratives

RS-Based BellSouth Owned Splitter

WELCOME:

Welcome to the BellSouth® /data CLEC (DLEC) Remote Site (RS) Based - BELL SOUTH Owned Splitter Line Sharing Collaborative Home Page. This page will provide information and links specific to the RS Based - BellSouth Owned Splitter Line Sharing Collaborative. This site has been developed for the benefit of participating DLEC collaborative members by providing an easily accessible and current source of collaborative and the BellSouth Line Sharing offering information.

WHAT IS 'RS BASED - BELL SOUTH OWNED SPLITTER - LINE SHARING':

For a detailed description of 'RS BASED - BELL SOUTH OWNED SPLITTER' Line Sharing, please see our Web page description - [CLICK HERE](#).

WHERE / WHEN DOES THIS COLLABORATIVES MEET:

This collaborative meets weekly in the BellSouth Center in Atlanta, GA, and has a conference bridge available (usually 205 970-3743 Access Code 6714). To be included in the distribution list for this collaborative - [CLICK HERE](#).

LINKS TO 'RS BASED - BELL SOUTH OWNED SPLITTER - LINE SHARING' DOCUMENTS:

Baseline Items	Works In Progress
COLLABORATIVE CHARTER	CLEC RT Issues Action Item Log Updated 12/18/00 (Excel)
COMMUNICATION MATRIX	RSOD Form 01/31/01
MEETING SCHEDULE	EU Activation Process 03/26/01
MEETINGS MINUTES	RT Maintenance Flow 02/26/01
CLEC RT Issue & Action Item Log 02/21/01	RT Splitter Provisioning Process 02/05/01
	RT Trouble Receipt Flow 02/26/01

[BST-RT-LS Issues and Action Items](#)

[Hard- Cable CLEC Interface/ FDI
Pair Access with BST- owned RT
Splitter](#)

[Open BST-RT-LS Issues and Action
Items](#)

[RT Line Share Splitter Ordering,
Setup and Disconnect Document](#)

[RT Splitter Provisioning Process
Draft Rev 5](#)

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BellSouth Line Splitting Collaboratives

Line Splitting

WELCOME:

Welcome to the BellSouth® Line Splitting Collaborative(s) Home Page. This page provides information and links specific to the BellSouth® Line Splitting Collaborative. This site has been developed for the benefit of participating CLEC/DLEC collaborative members by providing an easily accessible and current source of Collaborative, and the BellSouth® Line Splitting offering information.

WHAT IS LINE SPLITTING:

For a detailed description of BellSouth® Line Splitting, please see our Web page description - [CLICK HERE](#).

WHERE / WHEN DOES THIS COLLABORATIVES MEET:

This collaborative is scheduled to meet weekly in the BellSouth Center in Atlanta, GA, and has a conference bridge available (usually (205) 970-3743 Access Code 6714). To be included in the distribution list for this collaborative - [CLICK HERE](#).

LINKS TO 'CO BASED - DLEC OWNED SPLITTER' LINE SPLITTING DOCUMENTS/FLOWS:

Baseline Items	Works in Progress
Meetings	Issues/Action Items Log 4/29/01
UNE-P to Line Splitting Order Process Flow 5/10/01	Billing Example for Line Splitting First Draft 5/11/01
LSOD Document 6/18/01	LSR for Line Splitting Third Draft Document 5/31/01
LSOD DOC detailed instruction document ver. 15 6/18/01	Example CSR for line splitting
Line Splitting Trouble Receipt Flow Data Trouble 6/18/01	Line Splitting Trouble Receipt Process Flow (Data Trouble) Version 9 6/12/01

Line Splitting Maintenance Process
(Voice Trouble) 6/28/01

End To End Test Scenarios
Version 5 6/12/01

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FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 960786-TP

EXHIBIT CKC-10

BellSouth's Win Back Review Recommendations and Implementation

During the early part of 2001, BellSouth received complaints from competitive carriers ("CLECs") addressing certain aspects of BellSouth's win back and retention programs. The complaints can be placed in two basic categories: disparagement of CLECs; and misuse of wholesale information.

Following receipt of these complaints, BellSouth Senior Management took three related steps: (1) all outbound (telemarketing and direct mail) win back programs were temporarily suspended; (2) a review of these programs (the "Review") was commenced to ensure that BellSouth policies and guidelines were being followed; and (3) a formal process was adopted for identifying and handling any subsequent CLEC complaints related to BellSouth's marketing and sales practices.

The Review team found (a) that there was no evidence of systematic wrongdoing; (b) no evidence of improper systems links; (b) that clear policies regarding use of information found in BellSouth's systems and sales and marketing were clearly established; and (c) that these policies were generally understood in the field.

The Review team, based upon their work, recommended to Senior Management that seven steps be taken by BellSouth to address perceived gaps in the implementation of the Company's policies. The seven Recommendations (the "Recommendations") were:

- Strengthen vendor management – reassess and modify its management of third party vendors engaged in telesales or telemarketing of BellSouth's products and services. While certain aspects of BellSouth had clearly articulated and well developed policies and procedures addressing this activity, these best practices had not been standardized for all third parties engaged in the activity.
- Strengthen "non-disparagement" policy – The principle underlying BellSouth's policy is that we should engage in "positive selling"- emphasize BellSouth's strengths, not the competition's weaknesses. Given BellSouth's position in the market, it was recommended that a policy be adopted that requires strict adherence to the "positive selling" approach, even if the sales activity restricted does not violate any applicable law or regulation.
- Enhance CPNI training – BellSouth's current CPNI training does a good job in regards to BellSouth's responsibilities with respect to information concerning end user customers. That was the primary focus of action by the FCC. Further, the wholesale service organization has an appropriate understanding of the confidentiality of the information it has concerning other carriers. It was recommended that the retail CPNI coverage be

expanded to include a more detailed explanation of BellSouth's duties and responsibilities in connection with "wholesale information."

- Set competitive information boundaries – While information should be provided to BellSouth personnel regarding the status of the telecommunications industry, it was recommended that a uniformity of use be required to ensure that only appropriate material is provided and that clear instruction and guidance is provided regarding the material's use.

- Educate staff on acceptable systems use – BellSouth has a clear policy prohibiting access to IT systems without an approved business need. It was recommended that employees be periodically and systematically reminded of their responsibilities regarding this access.

- Enhance systems access controls – It was recommended that a formal process be adopted to assess systems access for new, transferred, or promoted employees.

- Enhance quality assurance program – Periodic reinforcement, monitoring, and auditing of the training provided to employees and sales representatives is critical to long term compliance with legal requirements and to the success of the corporation. It was recommended that these functions be assumed by the Customer Markets Compliance organization.

Senior Management accepted these Recommendations and an implementation team (the "Implementation Team") was formed. The team adopted a uniform six-step approach to each of the Recommendations. This approach provided the structure necessary to effectively operationalize the recommendations.

To address the recommendations regarding the non-disparagement policy; the CPNI training; the competitive information boundaries; and the acceptable systems use, the Implementation Team developed a modular yet integrated training program entitled the "Competitive Landscape Operating Requirements. The training will be conducted in two phases. The first phase will include all BellSouth and third party personnel that will be engaged in outbound marketing of BellSouth's win back programs. The second phase will cover all other BellSouth customer contact personnel and employees that support these groups.

The modular training consists of sections covering BellSouth's Fair Competition Policy; CPNI and Wholesale Information; Access to BellSouth's IT Systems; and Dissemination and Use of Competitive Information. The substance of the training includes but is not limited to:

- Definition of BellSouth's positive selling approach and the prohibition on negative selling. Training and reinforcement of the requirement that customers who are also competitors must be treated fairly and not be disadvantaged.

- BellSouth's policy to protect all proprietary information belonging to or in the control of BellSouth, including without limitation, information about all of its customers, both carrier and end user.
- Instruction regarding the appropriate uses of individually identifiable Wholesale information and confirmation that Wholesale information cannot be accessed or used for any purpose related to the sale or promotion of any BellSouth product or service.
- The prohibition on BellSouth personnel accessing any BellSouth IT systems unless there is a legitimate and authorized business purpose for such access.
- Training regarding the dissemination and use of competitive information including circumstances under which it is appropriate and inappropriate to disseminate and use such information.
- Information regarding and the communication of the instructions and limitations of use that must accompany the dissemination of competitive information.
- Training regarding the handling and use of confidential information

To address the Recommendation regarding vendor management, BellSouth has adopted a uniform approach to training, managing, and monitoring all third party sales representatives involved in telesales and telemarketing activity on behalf of BellSouth. The core components include a standardized training course for all BellSouth personnel responsible for the management of third party telesales and telemarketing vendors; a telesales checklist utilized in connection with both the orientation of new telesales and telemarketing vendors and in the roll out of any new product, service or program sold by such vendors; standard contract provisions addressing monitoring, training, and compliance obligations; and a certification process for use with new telesales and telemarketing vendors and with the roll out of any new product, service or program sold by such vendors. The certification process includes both product training and sales tactics training and will be used to reinforce BellSouth's policies concerning non-disparagement and positive selling.

In order to address the Recommendation regarding enhancement of system access controls, BellSouth has adopted a process for monitoring and approving continued systems access for all newly hired employees and transferred and promoted employees. Each receiving manager of a new employee and transferred or promoted employee is required to conduct a review of the systems to which the new, transferred or promoted employee requires access in order to perform in the employee's new position. Access to only those systems will be provided and, if applicable, access to other systems will be removed. Longer term, BellSouth plans to institute a IT systems-based approach to managing and monitoring systems access.

To address the Recommendation regarding the enhancement of the quality assurance program, BellSouth will utilize the Compliance structure

currently in place. The compliance structure will be enhanced to include special attention to the Competitive Landscape Mandatory Guidelines and the Dissemination and Use of Competitive Information guidelines. Additionally, ongoing monitoring by the Compliance structure will ensure that annual training on the guidelines will occur. Further the Internal Audit organization will conduct periodic audits of the Compliance obligations to further ensure continued compliance with BellSouth policies.