

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL

In re: Initiation of show cause)
proceeding against BellSouth)
Telecommunications, Inc. for)
violation of service standards.)
_____)

Docket No. 991378-TL
Filed: December 8, 2000

DIRECT TESTIMONY

OF

R. EARL POUCHER

On Behalf of the Citizens of the State of Florida

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CONFIDENTIAL

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15810 DEC-88

FPSC-RECORDS/REPORTING

DIRECT TESTIMONY
R. EARL POUCHER
FOR
THE OFFICE OF PUBLIC COUNSEL
BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 991378-TL

1 **Q. Please state your name, business address and title.**

2 A. My name is R. Earl Poucher. My business address is 111 West Madison St., Room
3 812, Tallahassee, Florida 32399-1400. My title is Legislative Analyst.

4 **Q. Please state your business experience.**

5 A. I graduated from the University of Florida in 1956. I began my telephone career in
6 July 1956 as a Service Representative working in the Southern Bell Jacksonville
7 Business Office. I retired in 1987 with 29 years of service. During my career with
8 Southern Bell, I held positions as Forecaster, Gainesville; Business Office Manager,
9 Melbourne and Orlando; District Manager--Business Office, Atlanta; General
10 Commercial-Marketing Supervisor, Georgia; Supervisor-Rates and Tariffs, Florida;
11 District Manager-Rates and Tariffs, Georgia; General Rate Administrator,
12 Headquarters; Division Staff Manager--Business Services, Georgia; Distribution
13 Manager-Installation, Construction & Maintenance, West Florida and LATA
14 Planning Manager-Florida. In addition, I was assigned to AT&T in 1968 where I
15 worked for three years as Marketing Manager in the Market and Service Plans
16 organization and in 1981 when I served as Business Services Profitability Manager -
17 AT&T Southeast Region. I joined the Office of Public Counsel in October 1991
18 where I have performed analytical work and presented testimony, primarily in

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1 telephone matters. I am also serving as a staff member on the Federal-State Board
2 on Universal Service assisting the NASUCA consumer advocate, Martha Hogerty,
3 who is Public Counsel in Missouri.

4 **Q. Have you ever appeared before this Commission?**

5 A. Yes I have. I testified on behalf of Public Counsel in United Telephone's Docket No.
6 910980-TL on rate case matters and Docket No. 910725-TL on depreciation matters,
7 GTE Docket 920188-TL on Inside Wire, and in Southern Bell's depreciation Docket
8 No. 920385-TL. I filed testimony in Southern Bell's Dockets 920260-TL, 900960-TL
9 and 910163-TL, in the GTE Docket No. 950699-TL, in Docket No. 951123-TP
10 dealing with Disconnect Authority, in Docket No. 9708820-TI dealing with
11 slamming and in Docket No. 970109-TL dealing with "I Don't Care, It Doesn't
12 Matter". I have filed testimony in connection with Docket No. 991378-TL dealing
13 with GTE quality of service. In addition, as an employee of Southern Bell I testified
14 in rate case and anti-trust dockets before the Public Service Commissions in Georgia
15 and North Carolina.

16 **Q. What is the purpose of your testimony?**

17 A. The purpose of my testimony is to present to the Commission the recommendations
18 of the Office of Public Counsel regarding the appropriate measures the Commission
19 should take to penalize BellSouth for its willful failure to comply with the
20 Commission's rules that apply to the installation and repair of telephone service and
21 to business office and repair answer times in the BellSouth operating territory in
22 Florida since January 1, 1996.

23 **Q. Did any of your previous job assignments with BellSouth include responsibility**
24 **for installation and repair services and answer times in the business office and**
25 **repair organizations?**

26 A. Yes. I was responsible for BellSouth's construction, installation, repair and repair

1 center forces in Pensacola from 1982 until 1985. During the last year of that
2 assignment I also assumed responsibility for the Panama City construction,
3 installation, repair and repair center organization. This latter move essentially gave
4 me the responsibility of managing all of BellSouth's outside construction, installation
5 and repair personnel from Havana to the Alabama line. During this period of time,
6 my performance was based on a number of service measurements, the most important
7 of which were the speed of installation and the speed of repair. During my 29 years
8 with BellSouth, I held numerous positions involving business office operations
9 where one of the most important measurements is the speed of answer on incoming
10 calls from subscribers.

11 **Q. How many rule violations were committed by BellSouth?**

12 A. The Commission staff has found that BellSouth has committed over 7,000 violations
13 of the quality of service rules of the Commission during 1996, 1997, 1998 and 1999.
14 The maximum fine that the Commission could levy on the company is approximately
15 \$175 million dollars.

16 **Q. What is the basis for the recommendations you are making?**

17 A. I have evaluated the results of the company's measurements since January 1, 1996,
18 including the quarterly reports filed by BellSouth with the FPSC and various
19 company internal reports that were furnished at the request of Public Counsel. In
20 addition, I have reviewed company correspondence regarding service issues provided
21 as part of our discovery requests submitted to the company. Since I joined the staff
22 of the Public Counsel in 1991 it has been my assignment to monitor and participate
23 in all telephone quality of service matters before the Commission.

24 **Q. What is the significance of the January 1, 1996 date as it relates to this docket?**

25 A. January 1, 1996 was the starting point for price cap regulation implemented in
26 Florida pursuant to the 1995 revision of Florida Statutes. Effective January 1, 1996,

1 BellSouth was relieved of the regulatory processes we know as rate of return
2 regulation and was allowed to price its services without regard to service
3 performance or earnings of the company.

4 **Q. What is the significance of the PSC's service rules in a price cap regulatory**
5 **environment as opposed to a rate of return environment?**

6 A. Under the prior rate of return regulatory environment, BellSouth was allowed to price
7 its services to produce total revenues sufficient to cover its expenses and provide a
8 reasonable return on the investment made by the company. This regulatory process
9 required the FPSC to continually monitor the revenues, expenses and earnings of the
10 company to ensure that the rates charged to customers were fair and reasonable. The
11 Commission was also obligated to ensure that customers received satisfactory levels
12 of service as part of the PSC regulatory oversight. As part of rate case proceedings,
13 the Commission would schedule service hearings in the operating territory of the
14 company for the purpose of determining if the quality of service was satisfactory.
15 The threat of regulatory action in the setting a company's rate of return was a
16 powerful tool to motivate telephone companies to meet the standards of service that
17 have been established by the PSC.

18

19 In a price cap mode, the power of the Commission to reward good service with
20 higher earnings or to penalize bad service with lower earnings is eliminated. The
21 only method the Commission can use to ensure that the quality of service meets the
22 established minimum standards is to penalize the company for willful violation of its
23 rules by an amount that is sufficient to provide an incentive for compliance with the
24 rules.

25 **Q. Please identify the specific rules the company has violated in respect to**

1 **installation and repair service.**

2 A. The company has violated Florida PSC rule 25-4.066 as it relates to installation
3 service, PSC rule 25-4.070(3)(a) as it relates to repair of out of service troubles
4 reported by customer, and PSC Rule 25-4.073, that was established to ensure prompt
5 answering of incoming telephone calls by company personnel for the handling of
6 repair and business office transactions with the company. It is important for the
7 Commission to recognize that even though the Florida Statutes adopted price cap
8 regulation for incumbent LECs starting January 1, 1996, the Legislature retained
9 FPSC regulatory oversight of service quality, both for the new competitive local
10 exchange companies and the LECs such as BellSouth.

11 The statutes provided the Commission exclusive jurisdiction in order to protect the
12 public health, safety, and welfare by ensuring that monopoly services provided by
13 telecommunications companies continued to be subject to effective price, rate, and
14 service regulation. (Section 364.01, F.S.) The legislature further directed that the
15 term "service" be construed in its broadest and most inclusive sense. (Section
16 364.02(11), F.S.)

17

18 **Q. Are there other quality of service rules that the company has met?**

19 A. Yes, but the rules that are most important to customers are the rules at issue in this
20 docket. These rules cover the four basic elements of service--the speed of
21 installation, the speed of repair and the speed of response by company personnel in
22 answering calls that relate to repair of service or other business transactions such as
23 service ordering and billing and collection matters. It is also relevant that the
24 majority of the personnel who are employed by BellSouth to serve its customers in
25 Florida are engaged in the process of service installation and repair, along with their

1 related employees in repair centers and business offices who handle the direct
2 telephone contacts with customers.

3

4 It is no accident that the company finds the specific rules that are at issue in this
5 docket most difficult to meet because they involve hundreds of millions of dollars of
6 salaries and wage expense. If compliance with the PSC rules could be achieved
7 without expense, then there is no question that the company would choose to comply.
8 The position of Public Counsel in this case is that BellSouth has chosen profits above
9 service for the past four years in Florida at the expense of good service for Florida
10 ratepayers. While profits have increased dramatically for BellSouth stockholders
11 during this time, Florida customers have been subjected to service levels that fail to
12 meet the standards established by this Commission.

13 **Q Please summarize the PSC's installation service rules.**

14 A. The Florida PSC rule, 25-4.066, requires telephone companies to install 90% of
15 primary residential and business services within three days, where facilities are
16 readily available. The performance benchmark stated in the rules requires the
17 company to install at least 90% of its orders for primary service within three days on
18 a monthly basis for each exchange in which the company operates. BellSouth has
19 102 exchanges in Florida and, therefore, it must comply with the requirements of the
20 rule in each of its 102 exchanges, calculated separately, on a monthly basis.

21 **Q Please summarize the PSC's repair service rules.**

22 A. The PSC rule relating to repair service, 25-4.070(3)(a), requires that the company
23 repair telephone service that is reported by the customer to be out of service (unable
24 to make outgoing or receive incoming calls) to be repaired within 24 hours 95% of
25 the time, as measured on an exchange by exchange basis, per month for each of the

1 102 BellSouth exchanges. The rules recognize that temporary overloads may occur,
2 and the company is required to complete 95% of its out of service troubles within
3 the 24 hour time frame in each of the exchanges where it operates. The company is
4 also exempted from the rule when it encounters emergency conditions where more
5 than 10% of the exchange lines are affected, when customer action is responsible for
6 the outage, or when the trouble is determined to be beyond the network interface in
7 either inside wiring or equipment.

8
9 Closely related to the out of service rule is the rule that applies to service affecting
10 troubles. If the telephone service is working, but subject to a service affecting
11 trouble, such as static, the company is required to repair 95% of the trouble reports
12 within 72 hours. The rule is important because the same work forces that engage in
13 repair of out of service troubles also repair the service affecting troubles.

14 **Q. Please summarize the PSC's business office answer time rules.**

15 A. The basic rule requires the company to answer 80% of its calls to the business office
16 within 30 seconds with a live service representative who can handle the customer's
17 problem. This rule was modified in late 1992 after a series of workshops in which
18 BellSouth was an active participant along with Public Counsel, PSC staff and other
19 parties. The rule is intended to accommodate the use of interactive response systems
20 to allow the companies 15 seconds to answer the customer's initial call and 55
21 seconds to connect a live service representative when the customer elects not to use
22 the mechanized system. The primary violation by BellSouth relates to the company's
23 failure to answer at least 85% of the calls transferred to live service representatives
24 within the 55 second limitation.

25 **Q. Please summarize the PSC's repair service answer time rules.**

1 A. The PSC rules regarding repair service answer time are the same as for the business
2 office, except the company is required to answer 90% of incoming repair calls within
3 30 seconds when answered by a live operator and 95% of the calls within 55 seconds
4 when the call is answered by an interactive response system.

5 **Q. What is the significance of the PSC's rules regarding installation within 3 days**
6 **and repair of out of service trouble within 24 hours?**

7 A. These two rules govern the activities of a majority of the BellSouth's work forces
8 that are employed in Florida and numerous other support personnel who are located
9 elsewhere. The installation process requires extensive investment and personnel,
10 working together to ensure that facilities and work forces are readily available to
11 install new telephone service in a timely manner when requested by the customer.
12 The same is true when the customer reports a trouble. Timely installation of service
13 and prompt repair are the two most important expectations of the customer, and it
14 follows that these two major activities trigger the largest amount of company
15 resources. Florida's service rules recognize the importance that Floridian's place on
16 the need for reliable and readily available communications services.

17 **Q. Why is it important that Florida customers receive installation and repair**
18 **service that meets or exceeds the PSC service standards?**

19 A. The most important reason is that the customers are paying for the quality of service
20 that is spelled out clearly in the PSC's installation and repair rules. These same
21 measurements have been in place in the FPSC rules since the 1960's, and in other
22 form before that. Multi-million dollar budgets revolve around the delivery of
23 installation and repair service that is assumed to be designed to meet the minimum
24 standards established by the PSC. Availability of business office and repair
25 personnel to answer customer inquiries is part of that overall process and is

1 absolutely crucial to the installation and repair functions. Florida telephone rates are
2 based on the assumption and expectation that primary service will be installed in
3 three days, that a service outage will be repaired in 24 hours, and that customer calls
4 will be answered promptly. If these measurements were not important, the PSC
5 could have established a lesser standard many, many years ago, reduced the expenses
6 of the companies and reduced the prices customers were paying for basic service.

7
8 Floridians have come to expect that high quality telecommunications services shall
9 be readily available in all areas of the state to serve the needs of our growing
10 population and requirements of a vibrant and expanding economic base. These
11 expectations have not been realized by accident. They are the product of this
12 Commission's historic role in adapting progressive rules over the years that have
13 clearly established Florida as a leader in the telecommunications industry.

14
15 The availability and quality of telecommunications service also has immense
16 economic implications for a growing state such as Florida. One of the first items
17 companies ask about when considering to relocate to Florida is the availability and
18 quality of basic utility services, such as power and telecommunications.

19
20 The bottom line is that the Florida PSC and Floridians place a high value on quality
21 of telephone service, and the rates we pay reflect that expectation. The prices and
22 earnings established by the PSC for Florida's telephone companies are hinged
23 directly on the assumption that the quality of service delivered to Florida customers
24 will meet the minimum standards of the PSC. If it is no longer important that these
25 standards be met--if the companies are to be allowed to ignore the rules and flaunt

1 their violations year after year, as is the case with BellSouth-- then consumers should
2 get refunds and lower rates reflective of lower standards of service that produce
3 higher earnings for stockholders of the companies. Of course, under price cap
4 regulation, this suggestion is not possible.

5

6 **Q. Please summarize the rule violations committed by BellSouth regarding the**
7 **Commission's installation rule since January 1, 1996.**

8 A. BellSouth violated the PSC's installation rule 317 times in 1996, 473 times in 1997,
9 645 times in 1998 and 610 times in 1999 for a total of 2045 violations during the four
10 year period. (See staff testimony, Phil Trubelhorn, Exhibit PRT-6.)

11 **Q. How does this performance compare to GTE and Sprint's performance in**
12 **Florida?**

13 A. BellSouth violated the installation rule in 41% of its exchanges throughout the four
14 year period, based on the quarterly reports they filed with the PSC staff. GTE
15 violated the rule in 26% of its exchanges, and Sprint missed the rule in 5% of its
16 exchanges. (Exhibit REP-1, Exhibit REP-3). Sprint, which provides the best
17 service of all three major LECs, has virtually the same number of local exchanges as
18 does BellSouth. BellSouth violated the installation rule 1388 times during 1996,
19 1997 and 1998. Sprint, meanwhile, committed 73 violations. In 1999, BellSouth
20 violated the installation rule 610 times, while Sprint, readily admitting it had
21 problems it would correct, committed 181 violations. It is significant that Sprint,
22 which serves significant rural territory, missed 5% of its total opportunities, while
23 BellSouth, serving predominantly high density urban areas, failed in 41% of its
24 opportunities.

25 **Q. Please summarize the rule violations committed by BellSouth regarding the**

1 **Commission's repair rule since January 1, 1996.**

2 A. BellSouth has violated the PSC's out of service repair rule 1,113 times in 1996, 1,064
3 times in 1997, 988 times in 1998 and 1,110 times in 1999 for a total of 4275
4 violations during the four year period, based on the quarterly reports filed with the
5 PSC staff. (See Staff testimony, Phil Trubelhorn, Exhibit PRT-6)

6 **Q. How does this performance compare to GTE and Sprint's performance in**
7 **Florida?**

8 A. BellSouth violated the repair rule, on average, in 88% of its exchanges over the four
9 year period. GTE violated the repair rule in 49% of its exchanges over the four year
10 period. Sprint violated the repair rule on average in 21% of its exchanges over the
11 four year period. (Exhibit REP-2, Exhibit REP-4).

12 **Q. Please summarize the rule violations committed by BellSouth regarding the**
13 **Commission's Repair Service answer time rules.**

14 A. There are two basic rules that govern the company's response to incoming repair
15 service calls. When companies use an interactive response system (as does
16 BellSouth) to answer incoming calls, the system is required to answer 95% of its calls
17 within 15 seconds. This is not a problem for BellSouth since the technology
18 employed today generates answer times that are consistently less than 10 seconds.

19
20 The more important part of the rule, however, is when the customer's call requires
21 a live operator, the company has 55 seconds to answer the call, which includes the
22 minimal time the customer is engaged in the interactive response system. This rule,
23 adopted in 1992, represents a modification of the Commission's original repair
24 service answer time rule that requires companies to answer 90% of their incoming
25 calls to repair within 30 seconds. The answer time was extended to 55 seconds to

1 represent the industry's estimates of the minimal time needed to negotiate through
2 the interactive response system and que up for a live operator. The company satisfies
3 the rule when it answers 95% of such calls within 55 seconds.

4

5 During the 1996-1999 time frame, the BellSouth business repair centers violated the
6 answer time rule requirements for 46 of the 48 months. During the same period, the
7 BellSouth residential repair centers violated the rule 39 of the 48 months. (Staff
8 Exhibit PRT-3)

9 **Q. How does this compare to GTE and Sprint's performance in Florida?**

10 A. Sprint has violated the repair answer time rule 34 times in the past four years, and
11 GTE has violated the repair answer time rule 25 times, based on their quarterly
12 reports filed with the PSC staff. GTE, like BellSouth, failed to meet the rule every
13 month in 1996 and passed it only twice in 1997. However, in 1998, GTE failed to
14 meet the rule three times and they exceeded the rule requirement every month in
15 1999.

16 **Q. Please summarize the rule violations committed by BellSouth regarding the**
17 **business office answer time rules.**

18 A. The Commission's rules regarding interactive response systems also apply to
19 business office calls. The 15 second rule regarding the initial response is not a
20 problem for any of the companies. For business office calling, the companies are
21 required to answer a minimum of 85% of the calls within 55 seconds when the
22 incoming calls go through an interactive response system (which is the case with
23 BellSouth). BellSouth has violated the business office answer time rule in 47 of 48
24 months during the past four years. (Staff Exhibit PRT-3).

25 **Q. How does this compare to GTE and Sprint's performance in Florida?**

1 A. The quarterly reports filed with the PSC staff show that Sprint's performance in
2 business office answer time is just as bad as BellSouth, while GTE is currently
3 considered to be within compliance with the rule with only an occasional violation.
4 GTE failed to meet the minimum standard 12 times in 1996, 10 times in 1997, twice
5 in 1998 and once in 1999. (Exhibit REP-4).

6 **Q. What is the total number of rule violations committed by BellSouth during the**
7 **past four years in the four service categories you have described?**

8 A. If you add all of the violations together, they total 6,366 violations. Staff points to
9 7091 violations, which include other rules that are clearly applicable here. If you
10 were to fine the company \$25,000 for each violation because they were willful, then
11 the fine would total \$177, 275,000. As I have already described, BellSouth's
12 performance is worse than any telephone company in Florida. If the Commission
13 allows the company to continue to willfully violate its standards, then it will provide
14 a green light for others to follow suit.

15 **Q. Did your service review include the results of any of the periodic service audits**
16 **performed by the PSC staff?**

17 A. While I have generally reviewed each of the service audits as they are released, I have
18 not used the results of those audits in reaching my conclusions regarding the overall
19 service quality performance of BellSouth. The periodic audits are best used as a
20 process to validate the company's procedures and to ensure that company practices
21 are consistent with commission rules in the processing of orders, trouble reports,
22 refunds, etc.

23 **Q. Why should the Commission fine the company for violating the installation and**
24 **repair rules and its answer time rules?**

25 A. BellSouth has continually violated the PSC service rules since 1996, and the

1 violations were willful. The key points I would make regarding the issue of
2 willfulness are:

- 3 1. Senior management was fully aware of the service violations.
- 4 2. Service quality was sacrificed in order to meet the profit goals of the
5 company.
- 6 3. The company simply chose to adopt business strategies that placed its own
7 internal objectives in a higher priority than it placed the satisfaction of PSC
8 standards and its customers in the State of Florida.

9 **Q. Please discuss each of the points the Commission should consider in determining**
10 **that BellSouth acted willfully.**

11 A. Senior management was fully aware of the service violations.
12 First, we are talking about violations of service quality rules that have extended over
13 four years of time, involving millions of customer transactions. BellSouth's results
14 reporting system is extensive, and every aspect of service is widely reported
15 throughout the company on a monthly basis, along with continuing results regarding
16 demand, revenues, expenses and profits. There are occasions, such as hurricanes,
17 when the company is unable to meet its service obligations. The PSC rules have
18 provisions for these exceptions. However, the continuing violation of PSC service
19 rules by the company, year after year, in good times and in bad times, is a clear
20 indication that the company has no plan and no intention of committing the resources
21 that are needed to satisfy the service requirements of this Commission.

22 **Q. Hasn't BellSouth been questioned about its violations by the PSC Staff and**
23 **responded with promises to correct the problems?**

24 A. Yes. A good example is the September 17, 1999 letter was sent from BellSouth
25 Regulatory to Walter D'Haeseleer in an attempt to encourage the staff to close this

1 docket. (Exhibit REP-5) On page 2 of that letter, BellSouth advised Mr. D'Haeseleer
2 that "We have also added 921 employees to our Network organization. Fully two-
3 thirds of these are specifically focused on improved performance in installation and
4 repair intervals." BellSouth also stated on the same page that the company had added
5 842 employees to its business office operations.

6 **Q. Did the company add the employees 921 employees in Network and the 842**
7 **employees in its business office operations?**

8 A. BellSouth's Network organization records show that their average headcount in 1996
9 was 8296. In 1997 it was 7,841. In 1998 it was 7,643. And in 1999 it was 8256.
10 The company records show that the 1999 average headcount was 613 higher than
11 year end 1998 and less than the number of employees that were on the force in 1996.
12 (Exhibit REP-6, page 2). The Company apparently failed to add the number of
13 employees to the force that they claimed, but they also neglected to say that the
14 Company had actually reduced their network headcount by 653 employees during
15 1997 and 1998.

16 **Q. How about the business office additions?**

17 A. The data provided us by the company shows that BellSouth reduced their service
18 representative head count by 61 employees in 1997. They increased their head count
19 by 308 in 1998 and by 108 in 1999. (Exhibit REP-7)

20 **Q. Did the company choose profits over service during the 1996-1999 time frame?**

21 A. While BellSouth continually violated PSC quality of service rules from 1996 until
22 1999 it is obvious that a choice was made to deliver greater stockholder returns and
23 bonuses for employees while depriving its customers of the service levels the
24 company was required to furnish under the rules of this Commission. BellSouth's
25 profit incentives are built into the salary expectations of its personnel. BellSouth has

1 distributed bonuses to its Florida employees over the past four years because of high
2 profitability in its Florida operations, while it has continually violated its service
3 obligations throughout the state. Given the length of time the company has violated
4 the rules, it is clear that the primary driver of the company performance is profits, and
5 that compliance with the company's service obligations to its customers and this
6 Commission will only be satisfied after the budgetary constraints over employee
7 headcount and overtime are satisfied.

8 **Q. What about the company's internal objectives?**

9 A. The company simply chose to adopt business strategies that placed its own internal
10 objectives in a higher priority than it placed the satisfaction of PSC standards and
11 its customers in the state of Florida. BellSouth has willfully chosen to attempt to
12 change Florida's service operations to conform to the lesser standards that prevail in
13 other states in which BellSouth operates.

14
15 For instance, BellSouth's business office answer time requirement is to answer 85%
16 of its incoming calls with a live service representative within 55 seconds. During the
17 past four years, the company has met this requirement one month out of the 48
18 months. Its average performance during the four years is 71% in 1996, 58% in
19 1997, 67% in 1998 and 55% in 1999. The company has regressed during the past
20 four years, failing miserably to meet the standards that BellSouth, itself, had
21 recommended the Commission adopt in late 1992. I believe the company set a new
22 record for poor service in the residence business office in August, 2000 when only
23 13% of the incoming calls were answered in 55 seconds.

24
25 Public Counsel submitted a substantial number of discovery requests to the company

1 to attempt to discover the company's remedial efforts aimed at reversal of its dismal
2 performance in meeting the answer time requirements of the Commission. We have
3 been furnished substantial amounts of data involving the company's plans to change
4 the PSC rules so as to produce slower answer times, thus requiring fewer employees
5 and increasing profits. The absence of business plans that were developed by the
6 company during the past four years to provide sufficient force levels to meet the
7 PSC's service standards in Florida is a good indication that, perhaps, there were
8 none. The absence of any directives from BellSouth headquarters telling the Florida
9 operations to spend what is necessary to meet the PSC standards tells me that there
10 were no such directives. The absence of a green light from BellSouth headquarters
11 to add service representative and to spend overtime hours necessary to meet the
12 incoming calling load tells me that no such green lights were provided.

13 **Q. Are you saying that the company had no plans to comply with the service rules**
14 **of this Commission?**

15 A. In response to Citizen's 2nd request for production of documents dated May 10,
16 2000, Item No. 31, Public Counsel asked the company to "produce all documents in
17 your possession, custody or control discussing, evaluating, or commenting on the
18 relationship between your budget and your compliance or non-compliance with any
19 FPSC quality of service rules." The company response was that "No documents
20 exist." (Exhibit REP-8). If the company were to have developed a comprehensive
21 plan that was directed toward compliance with the PSC rules, it would have
22 definitely involved budgetary implications, and no such documents were produced
23 by the company. Now it is clear that BellSouth operations forces were attempting to
24 improve their performance under the budgetary controls imposed by headquarters.
25 But what failed to happen is nobody in BellSouth Headquarters stepped forward and

1 said, "You are not making it. Spend the money and hire the people to get in
2 compliance."

3 **Q. What happened as a result of the company's failure to meet the PSC standards?**

4 A. Our discovery requests failed to identify any negative consequences for those
5 responsible. For instance, the company rewarded its business office management
6 with bonuses and promotions because they produced high profits and multi-million
7 dollar contributions to the bottom line. We were unable to discover any negative
8 consequences due to failure to meet the PSC business office answer time
9 requirements.

10 **Q. Was higher management aware of its failure to meet the PSC's service
11 standards?**

12 A. It is management's duty to be informed regarding its performance in meeting both
13 internal and external service measurements. The Commission's own staff testimony
14 lays out the Company's 7,091 service violations during the 1996-1999 time period.
15 This testimony comes primarily from the reports provided by BellSouth itself.
16 Higher management was aware of these reports, and higher management failed to
17 take decisive action to resolve the problem other than to complain that the rules were
18 outmoded and unfair. Higher management chose profits over service, and Florida
19 customers have suffered from the results.

20 **Q. What evidence did you receive that tells you higher management chose profits
21 over service during the 1996-1999 time period?**

22 A. A good example is the four page letter from Scott Mulcahy, South Florida Network
23 Vice President to Ralph de la Vega on January 10, 2000 extolling the
24 accomplishments of his organization during 1999. (Exhibit REP-9) Mr. Mulcahy's
25 letter spells out in detail the South Florida underrun of his network budget in 1999

1 and their underrun of his network capital budget. Mr. Mulcahy states that his
2 organization is BellSouth's "benchmark Network organization," that they did an
3 excellent job of "expense efficiencies and service demands," and that "we have
4 continued to deliver the finest overall performance in the company by almost any
5 measure." The 1999 underruns were not unusual. In 1997 Mr. Mulcahy cited his
6 budget savings of \$7 million in expense, \$9 million in capital and a 10% reduction
7 in total force. (Exhibit REP-10)

8
9 In characterizing his 1999 performance Mr. Mulcahy failed to mention the 133
10 violations of PSC installation rules committed by his organization during the year.
11 He also failed to mention the 226 violations of PSC repair rules committed by his
12 organization during the year. South Florida Network's 1999 performance may be the
13 best in BellSouth, but it is worse than any telephone company operating in Florida.
14 According to the quarterly reports filed with the PSC Staff, all of the small telephone
15 companies in Florida who operate in the most difficult rural areas are in compliance
16 with the Commission's rules for 1999, averaging 98.2% of installations in 3 days
17 and 98% of repairs in 24 hours. South Florida installed 87.5% of its primary orders
18 in 3 days and completed only 81.5% of its service outages within 24 hours. (Exhibit
19 REP-11). Among the large LECs, Sprint had the best results, installing 91.4% of its
20 primary access lines in 3 days and repairing 93.1% of its service outages in 24 hours.
21 (Exhibit REP-12).

22 **Q. Was the Network organization's budget during the 1996-1999 time frame**
23 **inadequate to meet the service obligations of the company?**

24 **A.** There is no other real answer. The company failed to have enough personnel on the
25 job to install new service and to repair existing services in compliance with PSC

1 rules. There were many different actions the company could have take to solve the
2 problem, but the bottom line is that BellSouth was responsible. They chose not to
3 comply.

4
5 BellSouth must have been aware that it did not have the resources to meet the PSC's
6 installation and service standards in 1996 when they had 8,296 people on the payroll
7 in Florida (Exhibit REP-6) and violated the PSC's installation and repair rules 1,430
8 times. BellSouth must have been aware that they lacked the network resources to
9 meet the PSC's installation and repair requirements as they violated those rules 1,537
10 times in 1997 as they reduced their Network headcount to 7,841 employees. South
11 Florida Network alone reduced its headcount by 10%, or 479 employees. (Exhibit
12 REP-10, page 1). BellSouth must also have realized that they had a real problem
13 in 1998 as they reduced their Network headcount even further to 7,643 employees
14 while they committed 1,633 installation and repair violations. And even though the
15 Network plan was to increase its headcount in 1999 to a target of 8,256 employees,
16 several hundred employees were added for ADSL (broadband), IFITL (fiber), and
17 BSW (buried service wire) projects that are aimed at generating new services and
18 new revenue sources and avoiding BSW expense. The baseline number of
19 employees apparently remained at existing levels. Despite the increase of total
20 employees, the Network organization experienced its worst performance of the four
21 year period in 1999 with 1,720 violations of the PSC's 3-day installation rule and 24-
22 hour restoration of service rule.

23 **Q. Did BellSouth reduce its service technician work force during the four year**
24 **period?**

25 **A.** BellSouth will probably produce documents to show that they did not. However, it

1 is the entire Network organization that supports the installation and repair process.
2 Clearly, Network reduced its total headcount according to the documents they
3 produced. They also continued to add substantial numbers of new access lines and
4 new products and services during the time period, which increased the work content
5 and generated new revenues. Whatever they did in terms of organization, expenses,
6 overtime controls and operations, it simply was not enough. That's the point.

7 **Q. But hasn't competition taken away a lot of BellSouth customers, and wouldn't**
8 **competition reduce the company's budgets?**

9 A. Quite the contrary. BellSouth's access lines have continued to grow during the four
10 year period, along with its estimates of inward movement. The number of access
11 lines is the primary driver in the number of trouble reports and inward movement is
12 the primary driver of installation activity. BellSouth forecasts (Exhibit REP-13) for
13 the past four years shows a gain of almost a million access lines and a 19 percent
14 increase in inward movement activity.

15 **Q. With the introduction of competition into BellSouth's business areas, isn't there**
16 **strong motivation to provide better service in the area's where there is**
17 **competition and worse service elsewhere?**

18 A. Without question, it is the company's goal to provide shorter intervals for business
19 customers because that's where the competition is targeted. But the purpose of
20 competition is to improve service and lower prices. We would expect business
21 service to be better. What is not acceptable is for the company to shift its resources
22 away from the residential market and allow service to deteriorate because those
23 customers have no choice. The December 1998 letter from Ralph de la Vega to the
24 Florida organization clearly spells out the company's plans for 1999 to provide better
25 service for business customers than for residential customers (Exhibit REP-14). The

1 plan was to install business service in less than 2 days and repair business service in
2 less than 8 hours. Residential services were to be installed in less than 3 days and
3 repaired in less than 24 hours.

4

5 The service goals for 1999 were admirable. What actually happened is that the
6 company failed to come close to meeting any of its goals for its targeted wire centers
7 for both residential and business customers. (Exhibit REP-14, page 2). The strategy
8 for business was to complete all service orders in 2 days or less and all business
9 trouble reports in 8 hours or less. Residential customers were supposed to receive
10 service levels that met the PSC rules. Of course, this never happened.

11 **Q. But with targeted competition in the most profitable markets, won't the**
12 **company be forced to cut back because it's making less money?**

13 A. We've heard this explanation so many times we tend to believe it. The company has
14 always maintained that the cream skimming of the profitable business markets is
15 going to leave them with the less profitable markets and lower earnings. The truth is
16 that despite targeted competition in its business markets, BellSouth projects healthy
17 growth of business revenues during the 1999-2002 time frame. While local service
18 revenues may decline, total revenues are expected to gain at an annual rate of almost
19 12%. That's significantly higher than the normal growth rate for residential services.
20 The company projects its total revenues to grow from \$3.8 billion in 1998 to 5.6
21 billion in 2002. (Exhibit REP-15)

22 **Q. Is there additional evidence to indicate that the budget considerations take**
23 **precedence over BellSouth PSC service obligations?**

24 A. As I stated, the company violated more installation and repair rules in 1999 than any
25 prior year. That didn't keep the BellSouth headquarters organization from

1 implementing "94 Days of Hell" in the last quarter of 1999 because the company was
2 placed under a severe expense and capital restraint program by its corporate officers.
3 (Exhibit REP-16) North Carolina, having just experienced a hurricane, was exempted
4 from the overtime controls that basically demanded a reduction in overtime to 7
5 percent. South Florida has traditionally run at a 13% to 14% overtime rate, and each
6 1% of overtime reduction reduces their capability of handling 5,600 dispatchable
7 tasks. A 5% reduction of overtime in South Florida basically means 28,000 missed
8 installation or repair commitments, which is synonymous with unhappy customers.

9 **Q. Did this decision to reduce cost have an impact on service?**

10 A. Florida committed 269 installation rule violations in the fourth quarter out
11 of 306 opportunities and they committed 304 repair violations out of
12 306 opportunities. (Staff Exhibit PRT-2, page 4).

13 **Q. Was the 94 days of Hell restricted to Network Operations alone?**

14 A. The budgetary constraints in 1999 were not restricted to Network alone. The
15 consumer organization implemented a hiring freeze in the fourth quarter of 1999
16 and saved \$637,644. (Exhibit REP-17). This is during the same time that they were
17 violating the PSC answer time rules and promising to put hundreds of new
18 employees on the workforce in order to satisfy their service obligations.

19
20 Another indicator that budget constraints took priority is the July 1998 message that
21 went out canceling all rehab work until 1999 "due to our budgetary situation."
22 Rehabilitation of deteriorating outside plant facilities is a major factor in maintaining
23 quality service over the long run. Simply postponing needed repairs means that
24 reports rates go up, and the ability of the existing forces to handle the load goes
25 down. That's what happened in Florida in 1999.

1 **Q. Is the decline in service quality limited to just the Florida operations of**
2 **BellSouth?**

3 A. No. BellSouth service has been headed downhill for the past several years, and
4 Florida operations is simply part of the larger BellSouth picture. (Exhibit REP-18).
5 Some of the measures we have been able to locate for BellSouth are:
6 --Average clearing times for residential troubles have increased from 15 hours to 25
7 hours since 1997. (Exhibit REP-18, page 1);
8 --Average clearing times for business troubles have increased from 9 hours to 14
9 hours since 1997. (Exhibit REP-18, page 2);
10 --Residential installations in less than 5 days have dropped from 95% to 55% in
11 1999, alone. (Exhibit REP-18, page 3);
12 --Business installations in less than 5 days have dropped from 81% to 55% in 1999,
13 alone. (Exhibit REP-18, page 4).

14
15 Another example of declining service in both BellSouth and Florida is seen in the set
16 of charts covering 1997 and 1998 performance (Exhibit REP-19) showing a serious
17 decline in appointments met for residential customers. Another set of charts for
18 BellSouth Business dated March 26, 1999 that shows a steady decline in the
19 percentage of satisfied customers for provisioning (installation and repair). (Exhibit
20 REP-20).

21 **Q. Are the measurements we are discussing here the ones that are the most**
22 **important to customers?**

23 A. BellSouth would have us believe that the PSC rules are antiquated and that customers
24 don't care how long it takes to install or repair service. The story is that it is more
25 important to keep their appointments and that the 3-day installation rule and the 24

1 hour repair rule are no longer important to customers. The internal documents from
2 BellSouth bear out the fact that meeting the commitment time is important. But in
3 the company's own words, "Quick response is one of the most important aspects of
4 the repair process to customers and has the most impact on their satisfaction." (REP-
5 21, page 4). Data produced by the company shows that every 1 hour increase in
6 clearing time translates to a 1 point satisfaction decrease in overall repair satisfaction.
7 (Exhibit REP-21, page 1). Pages 2, 3, and 4 of this exhibit provide additional
8 examples of declining BellSouth service quality.

9 **Q. Is BellSouth Headquarters supportive of the Florida PSC's standards for**
10 **installation and repair?**

11 A. BellSouth officers told all of their operating managers in early 2000 that installation
12 and repair intervals have a direct impact on overall customer satisfaction and that the
13 areas must improve their present service levels. However, the targets for all of
14 BellSouth fall short of the Florida PSC's standards (Exhibit REP-22). This is not
15 unusual, however, since the Florida PSC standards have always been among the most
16 stringent in BellSouth operating territories, and BellSouth's Florida service has
17 historically been superior to its other states.

18
19 There now appears to be a rising consensus at BellSouth that installation and repair
20 service performance must improve. Duane Ackerman, BellSouth's CEO, wrote his
21 three top executives on December 22, 1999, stating that in many areas the installation
22 and maintenance intervals were completely unacceptable, further stating that "I am
23 concerned about this level of performance and feel that it simply cannot be tolerated
24 as we move into the year 2000." (Exhibit REP-23). I call your attention to the
25 January 1, 2000 recommendation to Joe Drummond, Vice President, Consumer

1 (Exhibit REP-24), where Mr. Drummond's staff states that customers would prefer
2 a three day installation (page 1), and out of service repair within 24 hours (page 2).
3 This is consistent with the existing Florida rules.

4
5 Despite the statements of corporate leaders, it does not appear that those statements
6 were backed up with budgetary support in early 2000. Scott Mulcahy's South
7 Florida's headcount remains basically the same for 2000 (Exhibit REP-25, page 5),
8 while his overtime is allocated at 9.7%, down from 12.7% (Exhibit REP-25, page 4).
9 The direct expense per access line in service will be reduced from \$67.73 to \$59.80.
10 (Exhibit REP-26 and 27). These numbers will probably create the highest target in
11 contribution in BellSouth, per Mr. Mulcahy, and it is very likely that the amount of
12 South Florida's Network contribution produced for BellSouth stockholders will again
13 exceed the \$500,000,000 level in year 2000. This sounds like good news for
14 stockholders, but it is unlikely that service will have improved since there was no
15 consideration of that problem showing up in the budget process.

16
17 BellSouth total company service levels in all of its states continued to deteriorate in
18 1999 as residential clearing times increased to 26 hours from the January 1997
19 average of 15 hours. (Exhibit REP-28, page 1). Residential installations dropped
20 from 95% in five days to 55% in five days in 1999. (Exhibit REP-28 page 2).

21
22 The decline of Florida's Network organization installation and repair results in the
23 fourth quarter of 1999, due probably to the fourth quarter overtime restrictions and
24 the force freeze implemented by headquarters, truly created "94 Days of Hell" for
25 both customers and company employees with one of the Network organization's

1 worst performances for any quarter during the 1996-1999 time frame.

2 **Q. Please describe the results of BellSouth's Consumer organization in meeting the**
3 **service requirements of the Florida PSC.**

4 A. I have already stated that the Consumer organization (business office sales, service
5 and collections, plus repair centers) violated the answer time rules on 132 out of 144
6 times in the 1996-1999 time frame. However, the financial results of these
7 organizations were outstanding. For instance, in 1996 the Consumer organization
8 produced an increase of over \$70 million dollars in sales (Exhibit REP-29, page 1),
9 while reducing their operational expense by \$6.2 million (Exhibit REP-29, page 3).
10 The organization reported a contribution of \$395,538,000 in 1996 due in part to
11 significant force reductions. (Exhibit REP-29, page 11). They handled over 30
12 million incoming calls (Exhibit REP-29, page 15) based on the call volumes shown
13 on page 15 of their year end Consumer organization report. Unfortunately, it
14 appears from page 16 of the same report that 10% of their calls were blocked, and
15 millions of customers were turned away. (Exhibit REP-29, Page 16). The good
16 news for stockholders, however, was that they reduced their cost per call from \$5.77
17 per call to \$4.76 per call (Exhibit REP-29, page 16). Simultaneously, they increased
18 their revenue per access line from \$296 to \$305. (Exhibit REP-29, page 5). The nice
19 part about being in the consumer organization during 1996 was that they were sitting
20 on top of a \$1.3 billion annual revenue stream, and the customers had no other place
21 to call. If the customer could not reach a representative, there was no choice but to
22 call at another time more convenient to the company. If you calculated the 3 million
23 calls abandoned by the \$4.76 cost to handle a call then it is apparent that the
24 \$14,280,000 additional expense would have wiped out Consumer's \$6 million budget
25 reduction and seriously impacted employee bonuses in 1996.

1 By 1999 the organization was sitting on top of a \$1.9 billion revenue stream up 10%
2 from 1998. They reported a year end contribution of \$341 million (revenues less
3 direct expense). They also reported that 9% of the incoming calls were blocked,
4 thereby preventing customers with access to get through to a service representative.
5 (Exhibit REP-40). Consumer reduced the headcount in 1999 from 2,604 contact
6 employees in July to a year end total of 2,372 (Exhibit REP-7. Exhibit REP-20), no
7 doubt heavily influenced by the fourth quarter hiring freeze (Exhibit REP-31). Of
8 course, the glowing economic results were only made possible by the fact that the
9 company ignored its 36 answer time rule violations in 1999 out of 36 opportunities
10 to succeed. That is a 100% failure rate. This information is not included in their year
11 end Consumer results report, so it obviously is not a priority with BellSouth. It
12 would appear that the Consumer organization set another new record in November
13 1999 by answering only 27.7% of its Repair calls within the 55 second limit that is
14 required by this Commission. As I previously mentioned, they did even worse in
15 August of 2000. I would invite you to read all 24 pages of the Exhibit REP-40 file
16 for 1999 results and year 2000 projections for the Consumer organization. The entire
17 file includes one reference to blocked calls and no other reference to poor service.
18

19 The Florida Consumer organization may tell the Commission that it provides great
20 service to customers, that they are happy and they are going to point out customer
21 surveys such as J.D. Power to show you how good they are. Internally, however, they
22 tell a different story. Sue McLaughlin's voice mail message to Consumer Services
23 that was copied to Florida's highest levels of management on June 24, 1998 speaks
24 about an operations crisis because of Consumer's "continuing high abandonment
25 rates and the fact that our customers continue to have great difficulty getting in touch

1 with us." At the time of her message, repair answer times for residential customers
2 were running around 79%. They dropped to 30% in July, rose to 82.5%, 97.6% and
3 100% the following three months before dropping to 39.5% in November and 73.3%
4 in December. During 1999 the residential results continued to miss the PSC
5 objectives every month, including December when they answered only 28.1% of their
6 incoming calls on time. The business office was running 55% when Ms. McLaughlin
7 called and improved to an average of 73.6% of calls answered on time. During all
8 of 1999, the business office average answer time performance as reported to the PSC
9 was 53.3% with July and August 1999 reported as 28.6% and 27.4% respectively.

10
11 To the credit of the Florida Consumer organization, it should be noted that there was
12 an extensive debate between BellSouth headquarters and Florida Consumer staff in
13 late 1998 regarding the budget Florida thought it needed for 1999 operations (\$203
14 million) versus what headquarters was going to allow (\$173 million)--or a \$30.1
15 million difference. (Exhibit REP-32). Other documents show that the "94 days of
16 Hell" in late 1999 was intended to reduce Florida's consumer head count by 117
17 employees by year end. (Exhibit REP-31, page 7).

18
19 The Florida Consumer organization has also been outspoken to its Network
20 counterparts regarding failure to meet service objectives and the customer
21 dissatisfaction that is associated with poor service. On December 6, 1999, Edith
22 Campins wrote to her Network counterparts complaining about their poor service.
23 (Exhibit REP-33 page 1). Her complaints were somewhat of a prophesy, since the
24 company president, Duane Ackerman, echoed the same thought to all of BellSouth
25 just a few days later. (Exhibit REP-23).

1 **Q. Did the Florida Consumer organization report these bad results to the**
2 **Commission?**

3 A. They had no choice but to report the failures to meet the Commission rules. A good
4 example of the inadequate excuses made by the company and accepted by the staff
5 can be seen is the explanatory letters that accompanied the reports. Exhibit REP-34
6 is an example of how the company has justified its continuing failure to meet its
7 service obligations to customers.

8
9 In January, the company answered its Small Business Repair incoming load within
10 the required time on 42.7% of its calls. (Page 1). The company blamed the failure
11 on head count losses in December. (Page 2). In February, they scored only 36.7% on
12 answer time (Page 4), and again blamed it on the December head count losses.
13 (Page 5). In March, April and May, they scored 36.0%, 43.0% and 48.7%
14 respectively and blamed the problem on the December head count losses. (Page 6-13)
15 Finally, in June, the company answered only 26.7% of its calls on time (Page 14),
16 and explained the reason was that they were 60 people short. (Page 15) Soon after
17 this explanation was received, the company imposed a hiring freeze and implemented
18 the "94 days of Hell".

19 **Q. With a robust economy, is it possible that BellSouth's troubles have been caused**
20 **by their inability to hire employees?**

21 A. BellSouth will probably attempt to place all of the blame on the job market. It is, of
22 course, more challenging to hire people during boom times that during economic
23 slow downs. We are used to the boom phenomena in Florida, and it is nothing new.
24 There is no indication from the discovery data provided by BellSouth human
25 resources that they were unable to fill the demands for new employees. (Exhibit REP-

1 35) The 1999 personnel requisition report for the North area show 553 vacancies and
2 560 selections. The South Florida report shows 754 vacancies and 770 selections.
3 The report shows that all personnel requisitions were either filled or canceled.
4 (Exhibit REP-36) There is ample data to show that the impact of the hiring freeze
5 created a significant problem for the human resources department. (Exhibit REP-37)
6 The hiring freeze was for real, forcing the cancellation of at least 17 training classes
7 involving at least 162 employees, who were needed on the force to provide service
8 to Florida customers. (Exhibit REP-38). The hiring freeze was announced in Florida
9 on August 19 and the project was referred to as the 1999 Force Curtailment program,
10 which required Florida Consumer to reduce its headcount by 124 employees.

11 **Q. You have stressed the fact that BellSouth service has been allowed to decline**
12 **throughout the company during the past several years. That's not consistent**
13 **with what the company appears to be telling the public.**

14 A. That's correct. The best example I have to demonstrate the actual facts is an
15 extensive presentation dated December 14, 1999 that outlines the complete service
16 picture for BellSouth. The company has not failed in all of its measurements.
17 However, if you read this document, the obvious conclusion is that service is
18 declining in Florida and BellSouth. One of the most telling quotes contained in this
19 document is found on page 3, and it states: "Reversing the trend of declining
20 customer care initiatives is dependent on implementing customer care initiatives that
21 "ratchet up our performance." (BellSouth Customers Services) (Exhibit REP-39)

22 **Q. Please summarize your testimony.**

23 A. BellSouth has committed over 7,000 willful violations of the PSC's most important
24 service rules in the time period between January 1, 1996 and December 31, 1999.
25 Because of the extensive and continuing violations, this Commission has no other

1 choice than to conclude that the violations were knowingly and willfully made,
2 resulting in harm to customers and economic advantage to the company's
3 stockholders.

4 **Q. What is the appropriate penalty that the Commission should apply in this**
5 **Docket?**

6 A. Since BellSouth is continuing to violate the Commission's rules, it is imperative that
7 the penalty be sufficient as to deter continued violations of the Commission's rules.
8 A slap on the hand will guarantee that BellSouth will continue to ignore the rules of
9 the Commission. The maximum fine per violation that the Commission can levy is
10 \$25,000 per violation. Staff testimony shows there are over 7,000 violations. The
11 total fine the Commission could impose under the statutes is roughly \$175 million
12 dollars, which is 1.6% of the company's existing \$10 billion revenue stream over
13 the past four years.

14
15 There are some mitigating circumstances that the Commission should properly
16 consider, such as extraordinary weather phenomena that, at times, makes it extremely
17 difficult for the company to meet its service obligations. The adversity the company
18 faces when the weather is bad, is made more difficult when the company does not
19 have sufficient work forces to meet the load requirements when the weather is good.
20 Such is the case with BellSouth.

21
22 It is my opinion that any penalty of less than \$25 million, for each year of significant
23 levels of non-compliance, would be inappropriate and would not provide the proper
24 incentive for future compliance. A financial penalty, coupled with aggressive
25 enforcement of Commission rules on a going forward basis, is absolutely essential

1 to help Florida citizens to receive the quality of service that they are paying for and
2 deserve.

3

4 The Commission should also consider some of the economic advantages the
5 company has enjoyed while it was violating your rules. The total salary and wage
6 budget for Network is \$350 million, and a 10% increase in the salary budget would
7 amount to \$35 million. It is not unreasonable to conclude that the company should
8 have had at least 10 percent more installers and repairmen. Considering that the rule
9 violations have lasted for four years, a \$25 million penalty per year appears to be
10 conservative, compared with the advantages the company has enjoyed.

11 **Q. Does this complete your testimony?**

12 **A.** Yes it does.

INDEX OF EXHIBITS
DIRECT TESTIMONY--R.E. POUCHER

DOCKET NO. 991378-TL

EXHIBIT NAME	EXH. NO.	
BELLSOUTH, VERIZON, SPRINT INSTALLATION VIOLATIONS	<u>REP-1</u>	_____
BELLSOUTH, VERIZON, SPRINT REPAIR VIOLATIONS	<u>REP-2</u>	_____
BELLSOUTH, VERIZON, SPRINT INSTALLATION 1996-1999	<u>REP-3</u>	_____
BELLSOUTH, VERIZON, SPRINT REPAIR 1996-1999	<u>REP-4</u>	_____
1999 FORCE ADDITIONS	<u>REP-5</u>	_____
NETWORK HEAD COUNT	<u>REP-6</u>	_____
TOTAL SERVICE REPRESENTATIVES	<u>REP-7</u>	_____
NO DOCUMENTS EXIST	<u>REP-8</u>	_____
MULCAHY LETTER 1/10/00	<u>REP-9</u>	_____
MULCAHY LETTER 1/8/98	<u>REP-10</u>	_____
SOUTH FLORIDA PERFORMANCE vs. SMALL COMPANY PERFORMANCE	<u>REP-11</u>	_____
LARGE COMPANY PERFORMANCE	<u>REP-12</u>	_____
ACCESS LINE FORECASTS	<u>REP-13</u>	_____
BETTER SERVICE FOR BUSINESS	<u>REP-14</u>	_____
BUSINESS REVENUE GROWTH	<u>REP-15</u>	_____
94 DAYS OF HELL	<u>REP-16</u>	_____
HIRING FREEZE SAVINGS	<u>REP-17</u>	_____
DECLINING SERVICE-CONSUMER	<u>REP-18</u>	_____

APPOINTMENTS NOT KEPT	<u>REP-19</u>	_____
DECLINE-SATISFIED CUSTOMERS	<u>REP-20</u>	_____
CUSTOMERS DO CARE	<u>REP-21</u>	_____
BELLSOUTH OBJECTIVE INTERVALS	<u>REP-22</u>	_____
AEKERMAN MANDATE	<u>REP-23</u>	_____
UNACCEPTABLE SERVICE INTERVALS	<u>REP-24</u>	_____
SOUTH FLORIDA OVERTIME	<u>REP-25</u>	_____
DIRECT EXPENSE PER ACCESS LINE	<u>REP-26</u>	_____
YEAR 2000 FORCE	<u>REP-27</u>	_____
DECLINING BELLSOUTH SERVICE LEVELS	<u>REP-28</u>	_____
COST REDUCTIONS	<u>REP-29</u>	_____
JANUARY, 1999 CONSUMER CONTACT EMPLOYEES	<u>REP-30</u>	_____
1999 HEAD COUNT CURTAILMENT	<u>REP-31</u>	_____
HEADQUARTER'S \$30 MILLION BUDGET CUT	<u>REP-32</u>	_____
CONSUMER ORGANIZATION ATTACKS NETWORK	<u>REP-33</u>	_____
60 (SIXTY) PEOPLE SHORT	<u>REP-34</u>	_____
HUMAN RESOURCES PERFORMANCE	<u>REP-35</u>	_____
1999 REDUCTIONS	<u>REP-36</u>	_____
HIRING FREEZE PROBLEMS	<u>REP-37</u>	_____
TRAINING CLASS CANCELATIONS	<u>REP-38</u>	_____
REVERSING TREND OF DECLINING SERVICE	<u>REP-39</u>	_____
1999 CONSUMER RESULTS	<u>REP-40</u>	_____

Exhibit REP-1

Docket No. 991378-TL

**BELLSOUTH, VERIZON, SPRINT
INSTALLATION VIOLATIONS**

**NEW INSTALLATIONS WITHIN 3 DAYS
NUMBER OF EXCHANGES FAILING 90% RULE
1996**

<u>COMPANY</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL FAILED</u>	<u>% FAILED</u>
BELL (101 exchanges)	65	21	18	17	14	26	37	33	28	26	15	17	317	26%
GTE (24 exchanges)	0	0	0	0	1	0	1	4	3	6	9	2	26	9%
SPRINT* (103 exchanges)	11	16	16	2	5	5	7	5	0	2	0	0	63	5%

*Previously United & Centel

**NEW INSTALLATIONS WITHIN 3 DAYS
NUMBER OF EXCHANGES FAILING 90% RULE
1997**

<u>COMPANY</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL FAILED</u>	<u>% FAILED</u>
BELL (101 exchanges)	12	15	15	20	25	31	38	59	66	44	60	88	473	39%
GTE (24 exchanges)	0	0	0	1	0	0	1	1	0	0	6	4	13	5%
SPRINT (103 exchanges)	0	0	0	0	1	1	0	0	0	0	0	0	2	0%

**NEW INSTALLATIONS WITHIN 3 DAYS
NUMBER OF EXCHANGES FAILING 90% RULE
1998**

<u>COMPANY</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL FAILED</u>	<u>% FAILED</u>
BELL* (101 exchanges)	100	74	69	63	17	13	26	56	47	72	62	46	645	53%
GTE (24 exchanges)	2	1	1	2	1	1	0	1	6	0	0	3	18	6%
SPRINT (103 exchanges)	1	2	0	1	0	0	1	1	1	3	9	0	19	0%

*ST. Johns Exchange added in July, 1998

NEW INSTALLATIONS WITHIN 3 DAYS
NUMBER OF EXCHANGES FAILING 90% RULE
1999

<u>COMPANY</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL FAILED</u>	<u>% FAILED</u>
BELL (102 exchanges)	68	49	22	15	8	23	29	56	71	94	87	88	610	50%
GTE (24 exchanges)	3	24	24	1	1	6	13	24	24	24	3	0	147	51%
SPRINT (103 exchanges)	1	0	1	0	2	1	3	7	16	21	43	80	175	14%

Exhibit REP-2
Docket No. 991378-TL

**BELLSOUTH, VERIZON, SPRINT
REPAIR VIOLATIONS**

**OUT OF SERVICE TROUBLES REPAIRED WITHIN 24 HOURS
NUMBER OF EXCHANGES FAILING 95% OBJECTIVE
1996**

<u>COMPANY</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL FAILED</u>	<u>% FAILED</u>
BELL (101 exchanges)	101	93	99	98	95	99	96	92	90	94	78	78	1113	92%
GTE (24 exchanges)	24	12	14	12	19	19	21	15	10	13	14	6	179	62%
SPRINT* (103 exchanges)	28	5	3	31	28	42	33	32	30	45	24	26	327	27%

*Previously United and Centel

**OUT OF SERVICE TROUBLES REPAIRED WITHIN 24 HOURS
NUMBER OF EXCHANGES FAILING 95% OBJECTIVE
1997**

<u>COMPANY</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL FAILED</u>	<u>% FAILED</u>
BELL (101 exchanges)	86	80	77	85	82	92	91	94	89	91	97	101	1064	88%
GTE (24 exchanges)	0	0	0	4	0	14	15	10	11	22	24	24	124	43%
SPRINT (103 exchanges)	20	16	16	3	2	13	14	10	9	6	15	39	163	13%

**OUT OF SERVICE TROUBLES REPAIRED WITHIN 24 HOURS
NUMBER OF EXCHANGES FAILING 95% OBJECTIVE
1998**

<u>COMPANY</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL FAILED</u>	<u>% FAILED</u>
BELL* (102 exchanges)	101	101	95	80	63	52	70	38	94	98	101	95	988	81%
GTE (24 exchanges)	24	22	20	1	2	9	15	10	14	19	16	12	164	57%
SPRINT (103 exchanges)	29	12	27	13	15	10	25	12	42	23	30	19	247	20%

*St. Johns exchange added July 1998

**OUT OF SERVICE TROUBLES REPAIRED WITHIN 24 HOURS
NUMBER OF EXCHANGES FAILING 95% OBJECTIVE
1999**

<u>COMPANY</u>	<u>JAN</u>	<u>FEB</u>	<u>MAR</u>	<u>APR</u>	<u>MAY</u>	<u>JUN</u>	<u>JUL</u>	<u>AUG</u>	<u>SEP</u>	<u>OCT</u>	<u>NOV</u>	<u>DEC</u>	<u>TOTAL FAILED</u>	<u>% FAILED</u>
BELL (102 exchanges)	98	80	78	79	84	95	93	97	102	102	102	100	1110	91
GTE (24 exchanges)	13	0	1	3	6	18	17	19	16	9	0	0	102	35
SPRINT (103 exchanges)	15	2	2	13	18	30	25	29	28	37	60	53	312	25

Exhibit REP-3
Docket No. 991378-TL

**BELLSOUTH, VERIZON, SPRINT
INSTALLATION
1996-1999**

OUT OF SERVICE TROUBLES REPAIRED WITHIN 24 HRS

PERCENT EXCHANGES FAILING RULE

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>AVERAGE</u>
BELLSOUTH	92%	88%	81%	91%	88%
GTE	62%	43%	57%	35%	49%
SPRINT	27%	13%	20%	25%	21%

Exhibit REP-4

Docket No. 991378-TL

**BELLSOUTH, VERIZON, SPRINT
REPAIR
1996-1999**

OUT OF SERVICE TROUBLES REPAIRED WITHIN 24 HRS
PERCENT EXCHANGES FAILING RULE

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>AVERAGE</u>
BELLSOUTH	92%	88%	81%	91%	88%
GTE	62%	43%	57%	35%	49%
SPRINT	27%	13%	20%	25%	21%

Exhibit REP-5

Docket No. 991378-TL

1999 FORCE ADDITIONS

BellSouth Telecommunications, Inc. 850 224-7798
Suite 400 Fax 850 224-5073
150 South Monroe Street
Tallahassee, Florida 32301-1556

Marshall M. Criser III
Regulatory Vice President

September 17, 1999

Mr. Walter D'Haeseleer, Director
Division of Communications
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Mr. D'Haeseleer:

Service standards and Commission rules have been an ongoing dialogue between BellSouth and the Florida Public Service Commission. BellSouth has worked closely with the Staff and communicated reporting issues that we have been dealing with for some time.

As you know, in the early 1990's, BellSouth initiated changes to how we gathered data for several commission service reports. The intent of these changes was to create an audit trail by eliminating any manual intervention. The unintended consequence of these changes was to significantly underreport the quality of our service. We had initially hoped to address these issues in Docket No. 950778TL, which was a response to our request for rulemaking. Unfortunately, due to the press of other issues and the rapid pace of changes in our industry, this docket was closed in May of this year, with the expectation that a new docket would be opened in order to recognize and review issues surrounding current rules and to consider issues related to changes in our industry. It is our understanding that this rulemaking docket will be opened in October. The Commission, however, has also opened Docket No. 991378 as the procedural vehicle to address BellSouth Telecommunications service standards performance.

BellSouth believes that our internal and external measurements, including customer complaints and independent service quality recognition, indicate that we provide quality customer service. However, previous inquiries from Staff and our own review of our measurement and reporting for the FPSC's service performance rules have identified issues which we intend to address. We also believe that the best interests of our customers are served by moving forward with rulemaking to identify and incorporate the service priorities for the future of our industry. To that end, we offer the following discussion and corrective action to resolve and close Docket No. 991378:

Mr. Walter D'Haeseleer
September 17, 1999
Page 2

Based on the previously referenced changes, BellSouth has measured and reported our performance for Out of Service (OOS) and Service Affecting (SA) trouble reports on the basis of the time when the report is closed, referred to as Final Status Time (FST). In comparison to reporting when the service is restored (when the trouble is cleared), referred to as Cleared and Customer Advised (CCA), the FST also includes activities such as restoring the work area to its original condition, reloading equipment, and the processing time between the field technician and the dispatch center. In order to reconcile our procedure with the Commission's current rule, BellSouth will develop and review with Staff a valid sampling methodology for extrapolating service restored time for reports from November 1999 forward. We will continue to measure FST time and will make customer rebates on the basis of that measurement. We would rather err on the side of the customer on this issue.

BellSouth is also attentive to ensuring that our force compliments our service requirements in Florida as a whole, as well as within the individual exchanges within the state. As committed to in April, 1998, we have reinstituted the practice of prioritizing Out of Service reports. We have also added 921 employees to our Network organization. Fully two-thirds of these are specifically focused on improved performance in installation and repair intervals. The remaining forces are focused on improving infrastructure. As we address the reporting issue, BellSouth will review and manage its dispatch strategy, force distribution, and appointment clock intervals to address installation intervals and performance in small exchanges.

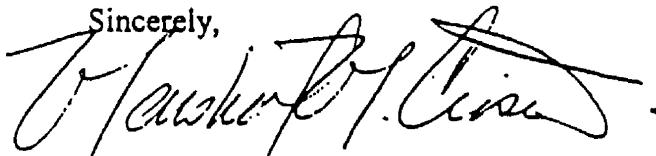
Further, as reflected in our letter to Staff dated September 15, 1999, BellSouth has reviewed the methodologies being employed for recording and reporting answer time performance. From that review, we have identified that we are using two separate methodologies to measure our performance between our Consumer and our Business organizations. In an effort to ensure that we do not overstate our performance, both methodologies have evolved to a system that underreports our performance. Further, neither is consistent with the Commission's method of measurement. To resolve this conflict and ensure consistent data between our reports and the Commission's evaluations, BellSouth will adopt the Commission's methodology for measuring the current answer time rule effective with our November 1999 report. In addition, BellSouth has added 842 employees to its business office operations. Again, as we address the reporting issues, we will monitor our performance and manage our force to meet service expectations.

As identified in our response to the Commission's most recent service evaluation, BellSouth has also addressed the issue of answer time in our TDD Bureau. We eliminated the automated answering device from the TDD bureau. We have also completed and distributed customer education materials to reduce the number of misdirected calls by hearing customers to that number. In recognition of the Commission's continued attention to this issue, BellSouth has reemphasized in its TDD bureau procedures that an automated answering system is not compatible with the bureau's mission.

We believe we are providing superior service to our customers, as evidenced by the steady decline in Public Service Commission complaints, the lack of service complaints raised at public hearings, independent surveys of customer opinions about our service, and numerous other internal measures we use to monitor customer service. For example, in 1994, our performance in PSC infractions per 1000 access lines was .094. Today it is .0085.

While we believe that our measuring and reporting procedures have underreported our performance, we also recognize our responsibility to provide accurate reporting to the Commission, as well as good service to our customers. As previously communicated to the Commission, we are earnest in our desire to satisfactorily address the Commission's concerns and to participate in a rulemaking procedure which will allow the Commission to identify the service priorities and measurements which reflect the current and future nature of our industry. In order to resolve service performance issues and proceed with a rulemaking proceeding, BellSouth offers to make a settlement payment of \$125,000. We will also implement the corrective action identified in this letter.

Sincerely,



Marshall M. Criser III
Regulatory Vice President

Exhibit REP-7
Docket No. 991378-TL


TOTAL SERVICE REPRESENTATIVES

TOTAL SERVICE REPRESENTATIVES
A/O December 31

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
CONSUMER	1984	1923	2243	2363*
SMALL BUSINESS	294	294	282	270*
TOTAL	2278	2217	2525	2633*


* 8/31/99

BellSouth Telecommunications, Inc.
FPSC Docket No. 991378-TL
Citizen's 1st Set of Interrogatories
September 20, 1999
Item No. 1c

 Request: The total number of Service Representatives on the payroll in Florida on December 31, 1995, 1996, 1997, 1998, and the forecast for 1999.

Response: See Attached

BellSouth Telecommunications, Inc.
FPSC Docket No. 991378-TL
Citizen's 1st Set of Interrogatories
September 20, 1999
Item No. 1c

 Request: The total number of Service Representatives on the payroll in Florida on December 31, 1995, 1996, 1997, 1998, and the forecast for 1999. --- **Consumer**

Response: See Attached

Includes: Sales, Service, Collections, Repair Reps – Overtime Included

FL CONSUMER				
Contact	12/31/96	12/31/97	12/31/98	12/31/99
	Actual	Actual	Actual	Projected
WS23 Service Reps	1361	1418	1746	1921
WS20 MA	28	35	38	43
WS18 Coll Rep	370	259	245	173*
WS16 CSA	225	211	214	226
<u>Total Contact</u>	1984	1923	2243	2363
*Collection Reps Transfer to BSCCM 10/1/99				
Non-Contact	12/31/96	12/31/97	12/31/98	12/31/99
	Actual	Actual	Actual	Projected
WS14 Special Clk	6	5	3	1
WS10 Office Asst	107	104	112	119
WS02 Ofc Clrc Asst	3	5	3	2
<u>Total Clerical</u>	116	114	118	121
<u>Total Non-Management</u>	<u>210</u>	<u>208</u>	<u>236</u>	<u>245</u>

Actual a/o 8/31/99

GRADE	C T	Sept/Oct Adds		Avg mthly Alt	Projected EOY Force	
16	260	0	260	8.5 X 4 = 34	226	Customer Service Representatives
18	229	0	229	14 X 4 = 56	173	Collection Representatives
20	45	0	45	.5 X 4 = 2	43	Maintenance Administrators
23	2173	44	2217	74 X 4 = 296	1921	Service Representatives
TOTAL	2707	44	2751	388	2363	

** PRIVATE - THIS INFORMATION IS FOR USE BY AUTHORIZED BELLSOUTH **
 ** EMPLOYEES AND SHOULD NOT BE DISCLOSED TO UNAUTHORIZED PERSONS **

PAGE 1
 AS OF 991003

Actual a/o 8/31/99

GRADE	C T	Sept/Oct	Adds	Avg mthly Att	Projected EOY Force	
16	260	0	260	8.5 X 4 = 34	226	Customer Service Representatives
18	229	0		Transf to BSCCM	0	Collection Representatives
20	45	0	45	.5 X 4 = 2	43	Maintenance Administrators
23	2173	44	2217	74 X 4 = 296	1921	Service Representatives
TOTAL	2707	44	2522	332	2190	

** PRIVATE - THIS INFORMATION IS FOR USE BY AUTHORIZED BELLSOUTH **
 ** EMPLOYEES AND SHOULD NOT BE DISCLOSED TO UNAUTHORIZED PERSONS **

PAGE 1
 AS OF 991003

1999 OVERTIME ANALYSIS													
Entity: FL	Date: 9/10/99												
FMS	Official Jan	Official Feb	Official Mar	Official Apr	Official May	Official Jun	Official Jul	Official Aug	Sep	Oct	Nov	Dec	YTD
All Otrns-FL													
Overtime Hours	31818	31415	28499	14130	9567	7105	7998	11549	0	0	0	0	142078
Actual Contact Employees	2488	2483	2525	2557	2824	2673	2710	2693	0	0	0	0	20733
Overtime Hours/Employee	12.8	12.7	11.3	5.5	3.6	2.7	3.0	4.3					6.9
Business Office Otrns-FL													
Overtime Hours	27998	28828	27261	11493	6870	3847	4649	9391	0	0	0	0	120398
Actual Contact Employees	2224	2236	2282	2293	2338	2373	2400	2388	0	0	0	0	18533
Overtime Hours/Employee	12.6	12.9	11.9	5.0	2.9	1.6	1.9	3.9					6.5
Sales-FL													
Overtime Hours - Sales	8823	9187	5763	1643	1328	1159	1421	2901	0	0	0	0	28993
Actual Contact Emp - Sales	758	688	720	740	778	802	787	789	0	0	0	0	6056
Overtime Hrs/Emp - Sales	8.8	8.0	8.0	2.2	1.7	1.4	1.8	3.7					4.5
Service-FL													
Overtime Hours - Service	18088	18307	18001	8215	5513	2653	3126	4944	0	0	0	0	76828
Actual Contact Emp - Service	1227	1311	1326	1318	1323	1334	1381	1372	0	0	0	0	10590
Overtime Hrs/Emp - Service	13.1	14.0	13.6	6.2	4.2	2.0	2.3	3.6					7.3
Collections-FL													
Overtime Hours - Collections	5278	4454	3498	1838	29	35	102	1547	0	0	0	0	15578
Act Contact Emp - Collections	241	236	236	237	237	237	236	227	0	0	0	0	1887
Overtime Hrs/Emp - Collections	21.9	18.9	14.8	8.9	0.1	0.1	0.4	6.8					8.0
Repair Otrns-FL													
Overtime Hours - Repair	3850	2487	1248	2637	2698	3259	3347	2157	0	0	0	0	21682
Actual Contact Emp - Repair	244	248	243	264	266	300	310	306	0	0	0	0	2200
Overtime Hrs/Emp - Repair	15.8	10.0	5.1	10.0	8.4	10.8	10.8	7.1					9.9
Source: FMS Reports - OTR2													
Note 1: The accuracy of FMS Overtime Hours for month-to-date is dependent upon whether offices are up-to-date in their loading of data													
Note 2: Dominant Headcount for Official Month is Alliance EOM, Headcount for current month is Alliance Primary/Weekly Status Report													

FMS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
All Gates-FL													
Overtime Hours	34733	20369	21415	37588	40988	20816	26453	33492	25604	29729	31358	33259	355804.66
Actual Contact Employees	1979	1965	1949	1938	2138	2117	2049	2048	2061	2020	1998	1928	24184.00
Overtime Hours/Employee	17.6	10.4	11.0	19.4	19.2	9.8	12.9	16.4	12.4	14.7	15.7	17.3	14.7
Business Office Only-FL													
Overtime Hours	34258	20236	21147	36642	40073	20086	24191	30831	24712	28333	29898	29527	339733.16
Actual Contact Employees	1727	1712	1690	1686	1869	1849	1781	1779	1802	1773	1752	1678	21098.00
Overtime Hours/Employee	19.8	11.8	12.5	21.7	21.4	10.9	13.6	17.2	13.7	16.0	17.1	17.6	16.1
Sales-FL													
Overtime Hours - Sales	13691	9461	8207	11921	14842	7099	8929	10896	9042	9611	11750	12062	127511.51
Actual Contact Emp - Sales	829	824	816	812	643	818	644	645	628	621	609	575	7464.00
Overtime Hrs/Emp - Sales	21.8	15.2	13.3	19.5	23.1	11.5	13.9	16.9	14.4	15.5	19.3	21.0	17.1
Service-FL													
Overtime Hours - Service	16264	9413	10289	16841	19552	10524	12964	17042	13656	15347	14998	15118	174008.76
Actual Contact Emp - Service	732	726	716	724	878	903	878	866	909	887	880	845	9942.00
Overtime Hrs/Emp - Service	22.2	13.0	14.4	26.0	22.3	11.7	14.8	19.7	15.0	17.3	17.0	17.9	17.5
Collections-FL													
Overtime Hours - Collections	4302	1363	2652	5860	5678	2462	2297	2693	2014	3374	3150	2348	38212.89
Act Contact Emp - Collections	368	362	358	350	348	328	281	268	265	265	263	258	3692.00
Overtime Hrs/Emp - Collections	11.8	3.8	7.4	18.8	16.3	7.5	8.8	10.0	7.6	12.7	12.0	9.1	10.4
Repair Only-FL													
Overtime Hours - Repair	478	133	266	945	915	730	2262	2862	893	1397	1460	3731	16071.50
Actual Contact Emp - Repair	252	253	259	252	269	266	266	267	259	247	246	246	3086.00
Overtime Hrs/Emp - Repair	1.9	0.5	1.0	3.8	3.4	2.7	8.4	10.7	3.4	5.7	5.9	15.2	5.2

Source: FMS Reports - OTRPT2 for Business Office and OTRPR for Repair

Note 3: The accuracy of FMS Overtime Hours for month-to-date is dependent upon whether offices are up-to-date in their loading of data

Note 4: Dominant Headcount for Official Month is Alliance EOM, Headcount for current month is Alliance Primary/Weekly Status Report

1998 OVERTIME ANALYSIS

Entity: FL

Date: 1/10/99

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
FMS													
All Gates-FL													
Overtime Hours	43685	36332	43568	46889	50938	54274	44664	61406	51498	34066	26234	20897	514451
Actual Contact Employees	1940	1978	2028	2200	2280	2341	2433	2400	2321	2317	2264	2240	26740
Overtime Hours/Employee	22.5	18.4	21.5	21.3	22.3	23.2	18.4	25.6	22.2	14.7	11.6	9.3	19.2
Business Office Only-FL													
Overtime Hours	41382	33569	41500	43956	46512	48991	38398	53358	42063	27804	22312	17294	457138
Actual Contact Employees	1998	1745	1797	1975	2066	2115	2179	2132	2062	2060	2011	1989	23829
Overtime Hours/Employee	24.4	19.2	23.1	22.3	22.5	23.2	17.6	25.0	20.4	13.5	11.1	8.7	19.2
Sales-FL													
Overtime Hours - Sales	14308	12268	15682	16162	16099	17508	13036	18113	13314	7516	6289	3771	154062
Actual Contact Emp - Sales	597	854	697	773	795	783	811	791	754	710	667	653	8685
Overtime Hrs/Emp - Sales	24.0	18.8	22.5	20.9	20.3	22.4	16.1	22.9	17.7	10.6	9.4	5.8	17.7
Service-FL													
Overtime Hours - Service	22491	17655	22196	22538	25469	27350	21006	29942	23998	17840	15340	12401	258226
Actual Contact Emp - Service	844	834	841	944	995	1055	1083	1060	1033	1076	1077	1093	11935
Overtime Hrs/Emp - Service	26.6	21.2	26.4	23.9	25.6	25.9	19.4	28.2	23.2	16.6	14.2	11.3	21.6
Collections-FL													
Overtime Hours - Collections	4585	3646	3622	5256	4944	4134	4356	5304	4752	2447	683	1123	44850
Act Contact Emp - Collections	257	257	259	258	278	277	285	281	275	274	267	243	3209
Overtime Hrs/Emp - Collections	17.8	14.2	14.0	20.4	17.9	14.9	15.3	18.9	17.3	8.9	2.6	4.6	14.0
Repair Only-FL													
Overtime Hours - Repair	2303	2764	2068	2833	4426	5283	6266	6048	9436	6263	3922	3603	57313
Actual Contact Emp - Repair	242	233	229	225	214	226	254	268	259	257	253	251	2911
Overtime Hrs/Emp - Repair	9.5	11.9	9.0	13.0	20.7	23.4	24.7	30.0	36.4	24.4	15.5	14.4	19.7

Source: FMS Reports - OTR2

Note 1: The accuracy of FMS Overtime Hours for month-to-date is dependent upon whether offices are up-to-date in their loading of data

Note 2: Dominant Headcount for Official Month is Alliance EOM, Headcount for current month is Alliance Primary/Weekly Status Report

BellSouth Telecommunications, Inc.
FPSC Docket No. 991378-TL
Citizen's 1st Set of Interrogatories
September 20, 1999
Item No. 1c

~~1c~~
Request: The total number of Service Representatives on the payroll in Florida on December 31, 1995, 1996, 1997, 1998, and the forecast for 1999. --- **Small Business**

Response: See Attached

Number of Service Reps (Small Business—Sales and Service)

1996 Unavailable per Finance

FL Service Reps	1995	1996	1997	1998	1999
	308	294	294	282	270

~~**~~ Does not include Repair or collections

Total Number of Maintenance Administrators – Small Business Repair

1996 - 1997 expense data not available due to purge of Finance systems


FI Maintenance		1995	1996	1997	1998	1999
Administrators	NA	NA		99	113	95

1995 and 1996 headcount not available

Exhibit REP-8
Docket No. 991378-TL

NO DOCUMENTS EXIST

BellSouth Telecommunications, Inc.
FPSC Dkt No. 991378-TL
Citizen's 2nd Request for Production
Of Documents
May 10, 2000
Item No. 31
Page 1 of 1

 REQUEST: Please produce all documents in your possession, custody or control discussing, evaluating, or commenting on the relationship between your budget and your compliance or non-compliance with any FPSC quality of the service rules.

RESPONSE: No Documents exist.

RESPONSE PROVIDED BY:

Exhibit REP-9

Docket No. 991378-TL

MULCAHY LETTER

1/10/00

BellSouth Telecommunications, Inc.
FPSC Dkt No. 991378-TL
Citizen's 2nd Request for Production
Of Documents

May 10, 2000

Item No. 30

Page 1 of 1

REQUEST: Please produce all documents in your possession, custody or control discussing, evaluating, or commenting on the relationship between your budget and the quality of service you provide your customers.

RESPONSE:

RESPONSE PROVIDED BY:



BellSouth Telecommunications, Inc. 305 263-2800
Suite 664 954 492-2800
600 N.W. 79th Avenue
Miami, Florida 33126

Scott A. Mulcahy
Network Vice President
South Florida

January 10, 2000

To: Ralph de la Vega
Copy: Rod Odom

Subject: South Florida 1999 Accomplishments

Ralph, I share your pride in the accomplishments achieved by the South Florida Operations Team during 1999. By any measure it was a different kind of year. The common theme in dealing with all the challenges of '99, in my view, was that we *developed* a business plan, built *strategies* around that plan, got the team *behind* the plan and set about *executing* the plan. When conditions changed, to use Charlie's term, we *acted and adjusted*. When one reviews the financial, service and employee charts you shared with us at our last staff meeting very little else needs to be said. Those results speak volumes for the lead team you led in 1999 and, again, congratulations.

I appreciate the support you gave South Florida. I know you realize the complexities of this market and the significant impact it makes to BellSouth. I also realize you appreciate the strength of this leadership team and the *Can Do* attitude they possess. The results in South Florida don't just happen. The situation we faced after 2 hurricanes and 2 tropical storms and the impending seasonal load would have collapsed our operation had you not supported our recovery plan. It was a bold plan with risk and needed your leadership to allow us to work overtime at the expense of other areas in South Ops. In short, the plan worked! We did not import forces at huge premiums and, while my peers felt some pain, I believe BellSouth overall came out ahead. So, thanks again for your support – "you done good!" And now, here's my South Florida year in review:

Budget

You will recall that at mid-year our operating expense was \$6M (4%) *below* budget. We have done a good job in adjusting to the stretch requirements, especially considering how we managed our extraordinary events, and are bringing in **expense at \$312M or 1.9% under** the Official View. Similarly, total network capital was \$16M (7%) *under* for the first half and we are finishing the year with **capital at \$512M or 1.8% under** the Official View. Our just-in-time capital spending strategy worked very well and we owe much of our success to this change of mindset. Unfortunately, as you are well aware, the management process has been much more difficult due to the unsuccessful BCAS to BCM conversion. Despite the fact that we were unable to retrieve accurate Plan actuals since April, the entire team has done an exceptionally good job of managing the budget process under less-than-desirable conditions. By the way, you know we had the best capital efficiency reviews of any area in 1999.

Overtime

Despite all the weather activity in 1999, we still closed the year with a year-to-date OT level of only 12.8%. What is significant here is that we are below the 1998 OT levels (which were 13.6%) even with the elevated run rates of the past 3 months. You will recall that we delivered single-digit overtime during much of the first half of the year. As a matter of fact, South Florida led the corporation by a significant margin in this category and we were well on our way to completing the year in single digits. Our success during that period was the result of very prudent overtime management including our policy of banking hours during fair-weather periods. In June and July, however, rates began to trend upward due to the unusually concentrated rainy season and you are well aware of the extraordinary tropical weather events we faced in the last half of the year. For the record, while other parts of the region were in drought conditions we are 20 inches above normal rainfall.

Force

We managed our force very precisely in 1999 and concluded the year at 16 below our official target exactly as planned. This is remarkable in that we had ramped up force levels this year for three major projects, any one of which would have been significant by itself. With as many events and projects as we had this year, it is easy to overlook the significance of our **OSPE take-back** project. The facts are that we hired and started the training of a full engineering workforce within less than a month. Moreover, during that period we maintained a full load of engineering work for the steady state program as well as for our two special projects (IFITL and ADSL). Over half of the new employees came to us with engineering degrees and 75% with four-year degrees or higher. I am very proud of the force we've developed and foresee excellent results in the future.

IFITL

Our IFITL program received a late go-ahead but we quickly hired and trained some 254 regular and 20 temporary employees to get the program fully operational by the second quarter. We had our share of setbacks in the mean time but I can honestly say that the workforce we put in place has made outstanding progress considering the challenges we faced. We will have 44K-plus homes IFITL capable by yearend 1999. This is remarkable to me when I reflect on the degree of difficulty of this project. I have never been associated with a more exciting and frustrating endeavor in my career. We have overcome every logistic and supply obstacle known to man. Regardless of the ultimate outcome of this project's future, it has been an "incredible ride" and all parties associated with it deserve positive recognition.

ADSL

South Florida's ADSL project has seen the addition of one hundred regular and half-a-dozen temporary employees. This is significantly more reasonable than the 10X plan which would have required the addition of several hundred more by this date in the year. As you know, we developed a plan to execute *above* the ADSL base plan yet *below* the 10X level and we have. With ADSL we will field install over 1000 elements and over 100 structures by yearend. Here too - with accelerated deployment - we have faced logistic, supplier, and coordination problems. We fix them as we find them and I believe that, with continued due diligence, we will achieve all the company's aspirational goals for South Florida's network in 2000.

TechNet and Y2K

In addition to the IFITL and ADSL projects, we also handled two others that presented the largest logistical challenges we have faced in BellSouth since the Olympics: TechNet and Y2K. Either of these projects alone would have been a major event this year had they not been overshadowed by the focus on IFITL and ADSL. For the TechNet program we hired, trained, and supervised four trainers and coordinated multiple installation vendors. It involved equipping our technicians with nearly 2500 new laptop terminals plus installing related equipment in over 2000 vehicles. In the process, we handled numerous daily manufacturing and delivery issues as well as the expected hardware and software glitches that so often occur in a rollout of this magnitude. All in all, South Florida enjoyed a near-flawless execution of TechNet and headquarters acknowledged us as the example of how it *should* be done. Similarly, our Y2K preparation efforts paid off in that this too was *a non-event* in South Florida. It was a non-event because of how well it was managed – *not* because it wasn't difficult. In fact, we took our responsibilities very seriously by spending months on the effort to upgrade over 2000 PCs and ordering/retiring another 770 PCs for compliance. In addition, we coordinated upgrades to a large number of major network elements including E911, DAVAR, DISC*S, FT2000, Litespan, DACS, and the various air pressure systems. And, while it seems anti-climactic, I am very pleased to report that absolutely no Y2K-related events occurred in our transition to the new century thanks to these efforts!

Employee Morale

South Florida's communications program was highly effective this year. During 1999 we communicated clearly at all levels of the business the BST Aspirations and South Florida's strategies. We developed Career Check and worked with HR on various FLM initiatives. As a result, our 1999 survey showed excellent improvement. Specifically, South Florida enjoyed an 84% participation rate and posted some of the highest results in Network. On the first 3 questions, management results improved 52.3% (from 4.24 to 4.38) while the overall organizational improvement was 25.8% (3.59 to 3.95). Question 33 (on trust) made significant improvement as well, moving from 2.75 to 3.18. Looking at the survey as a whole, management scored 56 of the 60 questions at 4 or better while non-management scored 57 of 60 at 3 or better. All in all, our Employee Survey results are some of the finest in BST and certainly in the Top 100 Company category. Although we plan to build on these results in the future, I am convinced we are beginning to approach the upper threshold in employee morale.

Service

During the first half of the year South Florida produced consistently high marks in virtually every category of our MDP and Impact99 plans. And, despite the weather-related challenges this year, we maintained excellent BBS MDP results throughout 1999 by making 30 of 32 contracted targets. In our next best showing, we met over three-fourths of our SBS targets. Due to the prioritization we faced after the hurricanes, however, our Consumer results suffered the most in that we only met about 50% of the targets. Even while missing these measurements, South Florida led the entire corporation in a number of Consumer categories including *Percent Received by 3 in Network Cleared Same Day*. We are also very pleased that we have finally improved our CDD results to routinely exceed the expected bands and are now regularly remaining in the 95% range. Overall, the South Florida team did an excellent job of balancing

expense efficiencies and service demands throughout the year, especially after the hurricane season. Despite the challenges we faced, we have continued to deliver the finest overall performance in the company by almost any measure and I can truthfully say we are still viewed as Network's benchmark organization.

Contribution and ROA

We made good progress in the contribution category this year. Through November, we delivered \$467M and have achieved a YE going rate of nearly \$491M. This is within 4% of our \$510M target for 1999. Similarly, our ROA continues to exceed 28%, a figure that puts us at the top of the company's Network organizations. This is proof positive of the many years of cost-conscious capital efficiency practiced by the South Florida management team. We produce outstanding yields in this market.

Ralph, in closing, South Florida met and overcame very significant challenges in 1999. Between the major weather events and the most massive project force buildup in our history, we were tested more than at any time since the *Andrew* years. On behalf of the entire South Florida leadership team, I extend my personal thanks to you for supporting us in these achievements and shoring up our foundation for even greater accomplishments in the next century.

A handwritten signature in black ink, appearing to read "Ralph", with a large, sweeping flourish extending from the end of the name.

Exhibit REP-10

Docket No. 991378-TL

MULCAHY LETTER

1/8/98

January 8, 1998

To: Ralph de la Vega

Subject: 1997 Major Accomplishments

Ralph, our first year as the combined South and Southeast Florida Network Team has been very successful. As you know, it has been tried before - but it took this team to make it work! Throughout the year I delivered a message of being the benchmark in service, meeting cost and force commitments, and addressing employee morale. In the process, we faced a number of risks that would have been major challenges even if we had not combined, but we exceeded expectations in each case. I've outlined a few of our major accomplishments below:

Employee Relations First and foremost, I set out this year to address employee morale issues. To accomplish this, I opened the communication by holding two major area-wide conferences, visiting many work centers, and speaking at any other forum I could attend. I found the employees open and honest, if a bit apprehensive about their future. After addressing a number of leadership issues and delivering an optimistic yet forthright message to all, we saw definite progress in our official survey results. I am very cautious about counting any victories in this regard, but I am convinced we are on the right track. I've also reinforced with the leadership team my most valuable lesson in recent years: *When you think you've communicated enough . . . you are surely mistaken!*

Force and Budget Our initial reports indicate we brought expenses in under budget by more than \$7M and were nearly \$9M under in the capital program. Similarly, our force was more than 80 below the approved level, reflecting a reduction of 479. That is a full 10% reduction in total force. As we exercised several mid-course corrections, these budget and force results were more indicative of our control rather than an inability to forecast actual needs. In fact, the underruns were purposeful and intended to help compensate for concerns in the other areas. In any event, we met our service commitments and still delivered a 3% budget underrun with 2% fewer personnel than authorized.

MDP Measurements We continued to lead the way by working closely with the COUs and exceeding service objectives. Our Same Day Clear results now set the benchmark for service in the company. I know we have more work to do in this area but I am committed to staying the course on this measurement while we fine-tune our approach to reducing missed appointments.

Network Utilization As you know, we are pressing the margins in our plant and we expect to optimize our usage at the highest possible level. My capacity managers and engineering team members are experienced at keeping the right balance in this equation and we will remain the leader in utilization.

Capital Utilization In keeping with operating the network economically, in 1997 we continued to be recognized as leading the way by getting more for each capital dollar invested. When the regression analysis predicts 100% as the objective for full utilization, we consistently outperformed the model, averaging 80-90% of the predicted value. Furthermore, we did this while exceeding all ALG forecasts. Similarly, it is no coincidence that our Capacity Management group receives the COU funding necessary to handle major projects in this area. The trust we've developed with the COUs has ensured our ability to make our case and meet their needs in a very efficient manner.

Outsourcing The above engineering results are even more impressive considering that these accomplishments were made during a major outsourcing effort. We reduced nearly 70 management and over 100 non-management personnel and are still acknowledged as the benchmark on how to operate in this environment. I am particularly proud of how the Engineering Directors took charge of the plan and made it work.

Expense and Overtime Control There is no secret to expense control. It takes a tedious, day to day management of the force and load with a granular attention to detail. It takes the full team's commitment to build flexible scheduling which anticipates and avoids premium pay pitfalls. It requires the understanding that we must "bank" our hours in the good times in order to meet the service needs in the more challenging seasons. It isn't magic, but we have perfected the system over the last couple of years and we continue to lead the company in this regard. In the final analysis, it's management focus and an "attitude thing."

Cable Damage Prevention I can't let the year go by without acknowledging our results in this area. In 1994, the South and Southeast areas together accounted for nearly 4900 cable damages per year. After a concerted effort that included a set of fundamental process changes "invented here" in South Florida, we are now seeing fewer than 100 damages a month. That is a dramatic change and indicative of the amount of work we've invested into the program. This has not only helped our bottom line expense budgets but, more importantly, it has benefited customer service by reducing the trouble load. Again, we lead the company in the process.

ITP With everything else going on this year, it is important to remember that the ITP program was pioneered and implemented first in South/Southeast Florida. Addressing the many working agreement issues was only one of the major implementation hurdles we faced. Working closely with the consultants, however, we helped to optimize it for introduction in the remainder of the

company. So far, we are achieving about an 8% productivity improvement. By any measure, that is a significant change year over year and I am sold on the fact that it can only improve from here. Bottom line here is we are accomplishing more work with fewer productive hours.

SIMM Utilization This is another program we've had a direct hand in developing for the company. I don't believe we have even approached our full potential in managing the PICS inventory but we are beginning to change the mind set of our management team with regard to efficient maintenance spare levels. This program won't fix a long standing problem overnight but I see the possibility for big dividends in the future. We have more work to do here and we will.

New Technology Deployment Quite simply, we are the Fiber In The Loop capital of the company. With two of the fastest growing cities in the U.S. (Pembroke Pines and Coral Springs) we have done an excellent job in positioning our communities for the company's future service offerings. Thanks to our reputation and willing attitude, we will continue to lead the way in deploying next generation technologies in this area.

Community Affairs Among other activities, I directed the BellSouth participation in the Dade County United Way campaign this year which raised nearly \$33M in the process. This is a 21% increase over last year and has been acknowledged as an extraordinary effort by United Way officials.

In closing, I recognize that we have all experienced significant change this year and I expect that to continue. I've instilled in my leadership team the adage I live by: *Change is your friend*. It carries with it an attitude that we will be successful no matter how many changes or challenges we face. Because of this, I can speak for my entire leadership team in assuring you that you can count on us. We *will* deliver again in 1998!

cc: Don Strohmeyer

Exhibit REP-11

Docket No. 991378-TL

SOUTH FLORIDA PERFORMANCE
vs.
SMALL COMPANY PERFORMANCE

QUALITY OF SERVICE BELLSOUTH--SOUTH FLORIDA

INSTALLATION--1999 PERCENT INSTALLED IN 3 DAYS

MONTH

JAN	78
FEB	88
MAR	95
APR	97
MAY	98
JUN	92
JUL	90
AUG	93
SEP	85
OCT	78
NOV	77
DEC	79

MO. AVG

87.5

REPAIR--1999 % OOS REPAIR IN 24 HOURS

JAN	92
FEB	94
MAR	94
APR	93
MAY	93
JUN	80
JUL	89
AUG	86
SEP	72
OCT	53
NOV	57
DEC	75

MO. AVG.

81.5

QUALITY OF SERVICE

SMALL LOCAL EXCHANGE COMPANIES

INSTALLATION--1999

PERCENT INSTALLED IN 3 DAYS

MONTH	INDIAN TOWN	NORTH- EAST	ALLTEL	FRONTIER	GT COM	TDS	VISTA
JAN	100	99	96	99	100	100	92
FEB	100	100	98	100	100	100	92
MAR	100	100	98	100	100	100	92
APR	99	100	98	100	100	100	92
MAY	100	99	97	100	100	100	92
JUN	100	99	97	100	100	100	92
JUL	98	99	96	100	100	100	97
AUG	99	100	95	100	99	100	97
SEP	100	93	96	100	90	100	97
OCT	99	99	98	100	95	100	97
NOV	100	100	97	100	98	100	97
DEC	100	100	90	98	98	100	97
MO. AVG.	99.6	99.0	96.3	99.8	98.3	100	94.5

REPAIR--1999

PERCENT OOS REPAIR IN 24 HOURS

JAN	100	100	98	97	99	97	94
FEB	100	95	98	99	98	97	98
MAR	100	100	98	100	100	97	98
APR	100	100	97	100	100	98	92
MAY	100	100	98	100	100	97	96
JUN	100	100	97	99	99	99	91
JUL	100	100	97	99	99	96	95
AUG	100	100	94	99	99	97	87
SEP	100	100	94	99	98	98	95
OCT	100	100	94	99	99	97	95
NOV	100	100	95	100	99	99	97
DEC	100	100	91	100	100	99	98
MO. AVG.	100.0	99.6	95.9	99.3	99.2	97.6	94.7

Exhibit REP-12

Docket No. 991378-TL

LARGE COMPANY PERFORMANCE

QUALITY OF SERVICE

LARGE LOCAL EXCHANGE COMPANIES

INSTALLATION--1999

PERCENT INSTALLED IN 3 DAYS

MONTH	BELL SOUTH	SPRINT	GTE
JAN	79	95	94
FEB	89	94	76
MAR	95	94	79
APR	96	94	93
MAY	97	95	95
JUN	94	99	92
JUL	92	93	83
AUG	92	93	79
SEP	85	91	76
OCT	78	90	83
NOV	79	83	95
DEC	79	76	98
MO. AVG.	87.9	91.4	86.9

REPAIR--1999

PERCENT OOS REPAIR IN 24 HOURS

JAN	88	95	95
FEB	92	98	98
MAR	93	98	98
APR	93	97	97
MAY	92	96	97
JUN	83	94	82
JUL	87	93	87
AUG	81	94	89
SEP	72	92	91
OCT	52	88	95
NOV	60	79	98
DEC	73	93	97
MO. AVG.	80.5	93.1	93.7

QUALITY OF SERVICE BELLSOUTH--SOUTH FLORIDA

INSTALLATION--1999 PERCENT INSTALLED IN 3 DAYS

MONTH

JAN	78
FEB	88
MAR	95
APR	97
MAY	98
JUN	92
JUL	90
AUG	93
SEP	85
OCT	78
NOV	77
DEC	79

MO. AVG

87.5

REPAIR--1999 % OOS REPAIR IN 24 HOURS

JAN	92
FEB	94
MAR	94
APR	93
MAY	93
JUN	80
JUL	89
AUG	86
SEP	72
OCT	53
NOV	57
DEC	75

MO. AVG.

81.5

Exhibit REP-13

Docket No. 991378-TL

ACCESS LINE FORECAST

Summary Of Florida Access Line Forecasts

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
<u>1996 Commitment Forecast</u>					
Access Lines In Service	5,870,104	6,175,936	6,440,658	6,591,052	6,836,160
Access Line Inward Movement	1,891,800	2,005,700	2,069,200	2,040,250	2,107,900
<u>1997 Commitment Forecast</u>					
Access Lines In Service		6,177,508	6,430,388	6,603,297	6,654,967
Access Line Inward Movement		2,002,495	2,243,242	2,321,705	2,464,582
<u>1998 Commitment Forecast</u>					
Access Lines In Service			6,500,427	6,644,110	6,721,911
Access Line Inward Movement			2,148,254	2,256,503	2,364,491
<u>1999 Commitment Forecast</u>					
Access Lines In Service				6,682,728	6,646,571
Access Line Inward Movement				2,346,213	2,358,728
<u>2000 Commitment Forecast</u>					
Access Lines In Service					6,804,811
Access Line Inward Movement					2,258,993

Note: Commitment views are the views which are generally prepared late in the year preceeding the first forecast year.
As an example, the 1996 commitment forecast was prepared late in 1995.

Exhibit REP-14

Docket No. 991378-TL

BETTER SERVICE FOR BUSINESS

RICH TEXT
Subject: FL PSC Objectives
Creator: Ralph delaVega /FL,MIAM03

Dated: 12/29/98 at 12
Size: 6030 bytes
Page 1 of 2

As we approach the new year it is important that we refocus our people on the need to improve our performance on PSC objectives. We are starting the new year with the best positioning of forces we have had in years. Our temporary employees we retained on the payroll through the end of the year and we should get off to a good start in '99 in terms of people resources.

In 1999 I want to make sure everyone is properly aligned in terms of a dispatch strategy for Florida. Following is a proposed appointment scheme:

	Service Orders	Troubles
BellSouth Business	< 2 days	< 8 hours
Small Business	< 2 days	< 8 hours
Consumer	< 3 days	< 24 hours OOS < 36 hours AS

When I look at our appointment interval I see very little consistency in our approach. In some cases we have service orders out 5 days and troubles within 10 hours. I see business with the same intervals as consumer, and out of service with the same intervals as affecting service.

Please review my proposal and give me your recommended dispatch strategy for 1999 by January 8th, 1999 or sooner. It needs to comply with the PSC objectives and at the same time allow us to make our MDP commitments.

In terms of an overall approach I think we should use the following logic as our guiding principle:

1. Keep service order intervals < 3 days (business & consumer)
2. Keep business repair intervals to < 8 hours
3. Keep consumer OOS < 24 hours
4. Keep Consumer AS < 36 hours

Since the number of business troubles is small, we should be able to provide consistent intervals for these customers (this will also ensure that we make our MDP commitments). I recommend that we do not distinguish between business OOS and AS. Use this approach only for consumer troubles.

If we keep service orders (business and consumer) to less than 3 days, business troubles to less than 8 hours, and consumer troubles to less than 24 hours, we will make most of our PSC commitments. The consumer OOS objective is the most difficult objective to make because of the way it is measured, and we will work with C&EA and the PSC to change this in '99.

Thanks in advance for your improved performance in this area.

CONSUMER AND SMALL BUSINESS
FOCUS WIRE CENTERS - POTS

CONSUMER

	Contract	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
% Repair Apptmts. Met														
MIAMI FLA E	> 84%	93.76	94.91	96.65	87.04	93.90	85.52	90.57	88.96	87.21	91.76			91.03
MIAMI FL PL	> 84%	91.13	93.17	92.50	88.64	90.63	89.60	86.05	91.76	90.32	92.75			90.65
HLWD FL WH	> 84%	82.32	86.00	88.29	87.84	85.59	89.21	86.08	83.91	86.01	88.03			86.33
FTLDCY	> 84%	74.78	82.01	84.18	81.33	79.48	78.78	80.94	79.20	78.25	81.77			80.07
FTLDMR	> 84%	72.35	89.00	90.67	88.50	75.23	87.55	89.20	85.11	82.05	69.12			82.88
ORLDM A	> 84%	92.25	93.12	83.75	90.67	91.73	88.39	90.52	92.84	88.97	89.70			91.19

Average Time Receipt to Clear

MIAMI FLA E	< 12	20.55	16.71	15.95	18.78	19.23	22.45	24.06	25.25	33.12	59.42			25.55
MIAMI FL PL	< 12	17.22	15.76	17.05	16.03	15.59	18.11	22.51	19.24	26.87	38.77			20.71
HLWD FL WH	< 12	18.43	16.15	15.44	16.87	18.58	32.06	21.19	26.72	30.46	32.76			22.87
FTLDCY	< 12	18.91	18.38	16.33	18.18	18.52	35.79	19.88	27.85	28.69	32.32			23.48
FTLDMR	< 12	21.52	16.72	14.47	15.38	22.99	35.46	19.62	25.23	29.91	36.05			23.74
ORLDM A	< 12	21.22	14.07	17.60	17.61	18.00	18.64	15.26	22.03	24.14	44.13			21.27

% Repeated Report Rate - Tot

MIAMI FLA E	< 15%	14.21	15.38	15.73	15.89	17.62	21.57	21.55	18.89	22.43	17.80			18.11
MIAMI FL PL	< 15%	18.97	14.81	16.40	15.09	16.71	17.17	18.47	17.22	22.85	21.03			17.88
HLWD FL WH	< 15%	17.94	17.88	15.60	14.56	19.75	21.15	20.86	19.13	21.24	20.51			18.98
FTLDCY	< 15%	17.99	15.35	15.93	16.34	18.13	20.72	23.01	25.00	19.93	24.31			19.87
FTLDMR	< 15%	18.73	18.23	13.07	17.25	17.17	19.25	18.40	21.91	22.18	19.52			19.37
ORLDM A	< 15%	19.43	14.32	21.52	19.88	18.06	18.94	17.51	18.73	18.83	21.25			18.85

SMALL BUSINESS

	Contract	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
% Repair Apptmts. Met														
MIAMI FLA E	> 84%	88.27	93.31	91.10	75.98	85.44	72.43	85.65	78.63	81.22	89.90			84.18
MIAMI FL PL	> 84%	88.95	89.40	90.87	82.17	87.05	83.93	81.06	83.99	81.30	89.62			85.84
HLWD FL WH	> 84%	66.38	83.82	81.51	79.00	75.51	85.29	84.39	80.19	82.28	91.45			80.98
FTLDCY	> 84%	72.88	76.70	79.19	73.65	69.91	74.32	81.46	84.17	83.81	83.91			77.98
FTLDMR	> 84%	78.61	77.39	78.33	76.38	62.04	79.78	77.67	77.78	82.02	60.45			77.84
ORLDM A	> 84%	80.50	86.01	88.84	85.32	85.83	83.28	79.22	85.48	85.08	90.98			85.75

Average Time Receipt to Clear

MIAMI FLA E	< 10	16.90	14.57	12.94	14.11	15.71	19.24	18.48	23.95	20.15	29.84			19.18
MIAMI FL PL	< 10	11.38	13.19	13.01	12.00	13.23	15.47	15.72	18.64	20.50	22.80			13.88
HLWD FL WH	< 10	18.57	10.57	11.80	14.48	14.98	23.24	15.31	21.08	23.15	23.79			16.88
FTLDCY	< 10	14.48	12.60	10.57	14.02	13.78	22.44	13.33	20.18	20.32	18.98			13.07
FTLDMR	< 10	12.52	13.93	12.58	13.87	19.80	23.09	15.83	18.53	20.28	26.73			17.72
ORLDM A	< 10	13.25	12.05	11.50	13.51	13.49	15.32	16.44	15.39	17.01	19.88			14.78

% Repeated Report Rate - Tot

MIAMI FLA E	< 10%	12.40	13.30	15.38	18.48	15.04	20.45	15.14	15.91	19.14	11.19			15.88
MIAMI FL PL	< 10%	19.57	17.02	13.31	13.68	12.71	14.99	17.32	16.85	19.01	15.43			15.88
HLWD FL WH	< 10%	12.91	13.79	13.44	16.94	17.27	16.52	21.66	17.08	16.38	19.88			16.88
FTLDCY	< 10%	14.13	20.22	19.90	17.76	19.93	17.38	16.90	17.55	21.81	15.85			16.85
FTLDMR	< 10%	15.35	18.16	14.73	13.24	17.73	20.91	18.55	20.75	16.61	18.81			16.81
ORLDM A	< 10%	17.87	22.75	14.77	18.05	17.55	19.48	12.71	21.68	15.24	16.58			16.58

Exhibit REP-16
Docket No. 991378-TL

94 DAYS OF HELL

Item 1

TO: DISTRIBUTION (Title: ELTON'S WAR ROOM)

Docket No. 991378-TI
Exhibit REP-16
Page 1 of 4

Item 2

N&CS IS UNDER A SEVERE EXPENSE AND CAPITAL RESTRAINT PROGRAM FOR THE REMAINDER OF 1999. WE HAVE INITIATED NUMEROUS PROGRAMS TO HELP US BRING IN OUR CASH CONTRIBUTION TARGET. THESE INITIATIVES WILL ALSO BE NEED TO CARRIED US INTO THE YEAR 2000.

N&CS HAS BEEN CHALLENGED TO BRING IN ITS CASH CONTRIBUTION AT ~\$125M BELOW THE OFFICIAL TARGET. YOUR BUDGET ORGANIZATIONS WILL BE SHARING WITH YOU THE 'HARD' TARGET FOR YOUR ORGANIZATION.

IN THE OFFICER'S MEETING ON SEPTEMBER 28TH, WE ADOPTED A SLOGAN OF '94 DAYS OF HELL' AS A TAKE-OFF FROM NOLAN RICHARDSON'S ARKANSAS BASKETBALL PROGRAM, WHICH IS A 60 MINUTES, 94 FOOT ALL COURT FULL PRESS.

ATTACHED IS A COPY OF A POSTER THAT IS OUTSIDE OF THE WAR ROOM. EACH OF THE OFFICERS AND THE CURRENT PERIOD WAR ROOM TEAM HAVE SIGNED UP TO DO THEIR PERSONAL BEST IN ACHIEVING THIS TARGET. WE SOLICIT YOUR FULL SUPPORT AND THAT OF YOUR WORK GROUPS IN ORDER TO BRING IN THE NUMBERS.

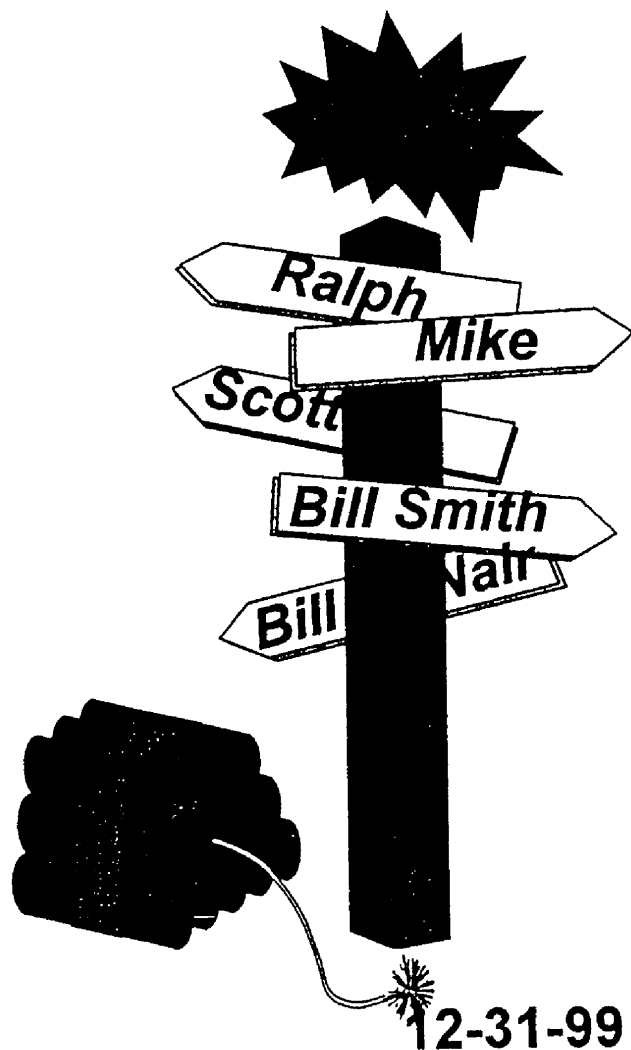
PLEASE SIGN THE ATTACHED BANNER AND CIRCULATE IT AMONG YOUR WORK GROUP. THEN MAIL IT TO ELTON KING ATTENTION: N&CS WAR ROOM AT 35H63 BSC, 675 WEST PEACHTREE ST., N. E., ATLANTA, GA 30375 SIGNIFYING YOUR PERSONAL SUPPORT OF THIS CRITICAL UNDERTAKING.

Item 3

This item is of type MS POWERPOINT (obsolete filetype and cannot be displayed as TEXT

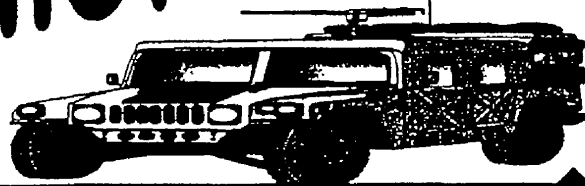
94 Days of Hell

I COMMIT TO - \$125
SIGN UP !!!



War Room Bulletin

Docket No. 991378-TI
Exhibit REP-16
Page 3 of 4



No. 1

Overtime

DATE: 09-29-99

Management of overtime is one of the major keys to bringing in our annual net cast contribution target miss at -\$125M. Mr. King has implemented a daily tracking plan and has specifically requested that no tracking entry exceed the daily or weekend 7% target without obtaining his personal prior approval. The prior approval requirement applies for all days including severe weather conditions. As of today, the only exceptions are Jim Blitchington, due to the storm and IFITL work groups. Nevertheless, in the case of IFITL units, the Vice Presidents - Network must maintain the 7% level. Likewise in the case of Hurricane Floyd (East NC exception) Jim's overtime must be made up in North Operations. There will be no forgiveness for weather impacting conditions; all weather related overtime must be made up within the sector during 4th quarter.

As per the attached tracking report, only four (4) organizations are excelling in Current MTD overtime control:

OUTSTANDING PERFORMERS

- B. Taylor (KY East)
- C. Wright (KY West)
- B. Beauchamp (KY Lsvl)
- J. Hollingsworth (TN West)

ON THE RIGHT TRACK

- L. Fuson (TN Middle)
- A. Edmonson (GA West)
- D. Cooper (AT Central)
- P. Stowe (MS North)
- R. Smith (AT CO / SSIM)

SIGNIFICANT ATTENTION NEEDED

- ALL OTHER ENTITIES

We will be talking to all out of trend entities to see what programs and control measures need to be implemented to bring all entities in line with the objectives. Please be aware that any September month overruns must be made up in the 4th quarter.

**Overtime % MTD and Current Week
Through Monday September 27th**

Exhibit REP-16
Page 4 of 4

	Current MTD	Previous Week	Latest Week	September 26 & 27th
N&CS	12.04%	10.00%	6.17%	6.17%
NORTH OPS.- CASSITY	12.95%	12.80%	8.40%	8.40%
SOUTH OPS. - de la VEGA	12.16%	7.84%	4.34%	4.34%
Bill MCNAIR	4.66%	4.26%	2.61%	2.61%

	Current MTD	Previous Week	Latest Week	September 26 & 27th
Jim Becker (NC/SC)	21.29%	28.05%	18.31%	18.31%
Ted Kellerman (FL No)	14.27%	13.58%	7.17%	7.17%
Rudy Christian (LA)	12.29%	5.96%	4.74%	4.74%
Scott Mulcahy (FL So)	11.61%	6.41%	2.96%	2.96%
Hal Henderson (GA)	10.83%	7.47%	4.71%	4.71%
John Benedict (AL/MS)	10.62%	6.01%	3.33%	3.33%
Richard Burns (KY/TN)	6.90%	4.39%	3.65%	3.65%
Jan Funderberg (Regl ICS Cntrs)	6.39%	6.20%	3.51%	3.51%
Don Pickens (Regl Ops Cntrs)	3.27%	0.65%	0.86%	0.86%
Tim Wademeyer (Sply Chn)	2.62%	6.76%	4.65%	4.65%

	Current MTD	Previous Week	Latest Week	September 26 & 27th
Jim Blitchington (NC East)	53.70%	97.14%	68.19%	68.19%
Jorge Deapodaca	26.40%	12.68%	3.49%	3.49%
Jimmy Stapp	19.97%	18.73%	5.26%	5.26%
Cindy White (FL No-Cntrl)	19.38%	28.36%	4.13%	4.13%
John St. Amant (FL NE/NW)	18.59%	17.02%	12.91%	12.91%
Janet Murrah (NC Cntrl)	18.35%	7.95%	5.21%	5.21%
Don Spain (NC SW)	16.84%	14.23%	9.42%	9.42%
Gary Ludgood (GA- IFITL)	16.79%	13.22%	10.43%	10.43%
Larry Shumpert (SC LC/Mid)	16.62%	19.55%	6.57%	6.57%
Roger Puerto (FL No Dade)	16.27%	9.38%	4.87%	4.87%
Paul Tankersley (MS So)	15.57%	6.00%	2.70%	2.70%
Oscar Primelles (FL Broward)	15.15%	11.06%	3.19%	3.19%
Ed Broussard (LA Cntrl)	14.26%	5.75%	4.45%	4.45%
Carlos Muniz (LA NO Lake)	13.80%	8.96%	8.54%	8.54%
Gordon Barber (Atl Sub)	13.62%	7.65%	7.05%	7.05%
Tony Hardlman (LA NO Riv)	13.17%	6.24%	4.70%	4.70%
Shirley Veal (AL Mobl)	12.24%	4.61%	2.64%	2.64%
Les Durel (AL Mtgm)	12.20%	6.48%	4.09%	4.09%
Carl W. Basden (LA No)	11.33%	4.63%	3.70%	3.70%
Billy Greenlief (Ind Riv)	11.06%	6.60%	5.69%	5.69%
April Nelson (FL So Dade)	10.98%	2.84%	2.33%	2.33%
Tom Mitchell (GA East)	10.87%	8.60%	4.46%	4.46%
Tim Higgins (AL No)	10.50%	9.54%	4.29%	4.29%
George Lewis (FL Plm Bch)	10.30%	6.22%	3.06%	3.06%
Charlie Sharpe (AL Bham)	10.20%	7.47%	2.69%	2.69%
Paul Pitts (SC UpSt)	10.04%	8.93%	6.18%	6.18%
Stan Kenerly (FL Cntrl)	10.00%	8.20%	4.42%	4.42%
Micol Brittain (TN East)	9.91%	6.14%	7.45%	7.45%
Mike Heard (Cntrs & Sw)	9.26%	5.90%	4.05%	4.05%
Roger Smith (CO/SSIM)	9.02%	5.99%	6.69%	6.69%
Paige Stowe (MS No)	8.81%	5.12%	4.84%	4.84%
Darrell Cooper (Atl Cntrl)	8.79%	5.50%	2.19%	2.19%
Alan Edmonson (GA West)	8.70%	5.84%	4.16%	4.16%
Lynn Fuson (TN Midl)	7.19%	4.01%	4.01%	4.01%
JB Hollingsworth (TN West)	6.76%	5.15%	4.02%	4.02%
Bill Beauchamp (KY Lsvl)	6.74%	4.77%	2.57%	2.57%
C. Wright (KY West)	6.48%	3.45%	1.55%	1.55%
B. Taylor (KY East)	5.98%	3.62%	2.44%	2.44%

Exhibit REP-17

Docket No. 991378-TL

HIRING FREEZE SAVINGS

MESSAGE

Subject: Florida's hiring freeze
Sender: Al Carreras /m2,mail2a

Dated: 6/9/99 at 10:46
Contents: 2

Docket No. 991378-TI
Exhibit REP-17
Page 1 of 1

Item 1

TO: DISTRIBUTION (Title: Florida's hiring freeze)

Item 2

As a result of the conference call Monday afternoon with the VP/GM's and the Finance organization, Florida will implement a hiring freeze during the 4th Quarter of 1999.

By withholding a total of 114 requisitions (38/month) we expect to achieve savings of \$637,644 as shown below:

\$318,986	in October
\$212,658	in November
\$106,329	in December

While this \$0.6M is short of the \$1.4M reduction which was requested, we feel this is the maximum reduction we can achieve in our workforce and not adversely affect access. This reduction will mean that we will end the year with a reduction in our workforce of over 4%.

If you have any questions please call me on (305) 260-8112.

AL Carreras

Exhibit REP-22

Docket No. 991378-TL

BELLSOUTH OBJECTIVE INTERVALS

Copy to
all
reports
re: original

NS

FIL
Orig. to FDA 1-14-00
Docket No. 991378
Exhibit REP-22
Page 1 of 1

Date: January 14, 2000
To: Duane Ackerman, Chairman and CEO - BellSouth
From: Charlie Coe, President - Network Services
Dick Anderson, President - Customer Markets
Jere Drummond, Vice-Chairman - External Affairs
Re: Regional Interval

CC: Joe Baker
Glen Estell
Sue McLaughlin
Fred Shattman

In response to your memo of December 22, 1999, we have reviewed our past performance levels for residence and business installation and maintenance intervals. These service levels have direct impact on our overall customer satisfaction levels. To continue our longstanding reputation for service, we must improve our present service levels.

Based on the initial results of our review, we have set overall region goals for installation and maintenance intervals in 2000, as reflected in the table below:

	Installation and Maintenance Intervals	
	Residence	Business
Service Order Interval (days)	3-6 4	2-3
Average Receipt to Clear Out of Service (hours)	22-25 24	12-16
Average Receipt to Clear Service Affecting (hours)	36-40 24	18-22

We will continue the analysis to develop objectives at the Geo level as we more closely define budget and force for the turfs. However, we also believe that there will be wider variations at these levels, given spikes in load from severe weather patterns, service order installations for a specific locale, etc. Certainly, when there is a catastrophic event, we will redeploy forces across Geo's as appropriate.

Meeting these goals will ensure we maintain the trust and confidence of our customers and enable us to achieve another consecutive J. D. Powers Association Customer Satisfaction Award.

Charlie
Charlie Coe
Dick (JA)
Dick Anderson
Jere
Jere Drummond

RECEIVED
FEB 04 2000

U.S. MAIL-REG. RELATIONS
TALLAHASSEE, FL

Exhibit REP-23

Docket No. 991378-TL

AEKERMAN MANDATE

FILE

Date: December 22, 1999

To: Charlie Coe
Dick Anderson
Jere Drummond

From: Duane Ackerman

Re: Regional Interval

I've attached a report on Regional Intervals for both installation and maintenance for your information and review. As you can see from that report we have many turfs which have completely unacceptable intervals on both installation and maintenance. I am concerned about this level of performance and feel that it simply cannot be tolerated as we move into the year 2000.

Based on that, I would like for the three of you to get together and provide to me by January 15th your recommendation for interval ranges across all the turfs in our nine states for both installation and maintenance. This is of utmost importance in terms of maintaining our reputation as an outstanding service provider and also meeting the service expectations of our regulatory commissions in the nine states. In fact I understand that our performance in North Carolina has come very close to causing a "show cause" order on service performance in that state.

Therefore, I would appreciate your serious consideration of this and your furnishing me your recommended interval ranges by mid January. Please call me if you have questions.



From: Support, Wmc
 To: Heartley, A; Edmonson, Alan; Mazur, Alicia; Lybarger, Andrea; Gatliff, Anne; Hardiman, Anthony; Nelson, April; Lannon, Bill; Smith, Bill; Greenlief, Billie; Daniel, Bob; Franks, Bobby; Fowler, Brenda; McElhannon, Buddy; Bradley, Butch; Govoni, Butch; Sharpe, C; Brown, C; Basden, Carl; Muniz, Carlos; Michel, Celeste; Wallace, Charles; Benyo, Christopher; Greenblatt, Chris; Haney, Christina; Hall, Chuck; White, Cindy; White, Cynthia; Cooper, Darrell; Jackson, David; Woodruff, David; Lee, Debbie; Holiday, Deloris; Collamati, Dick; Franklin, Dick; Donald.Rubin2@bridge.bellsouth.com; Spain, Donald; Burchjr, Doris; Gober, Doug; Owen, Doug; Carson, E; Keefner, Ed; Broussard, Edward; King, Elton; Smith, Eula; Ludgood, G; Schweibinz, G; Green, Garry; Archibald, Gary; Wilson, Gary
 Subject: Regional Interval Reports 12/21/1999 12:21

North Region Intervals Rpt / Service Order Created: 12/21/1999 12:20:54 PM CT

State / Area	Residence	Business	Saturday
	(In Days) Best/Worst/Average	(In Days) Best/Worst/Average	Apts

South Carolina

Aiken	2 / 2 / 2.0	2 / 2 / 2.0	Yes
Anderson	8 / 8 / 8.0	8 / 8 / 8.0	No
Charleston North	8 / 8 / 8.0	7 / 7 / 7.0	No
Charleston South	7 / 7 / 7.0	7 / 7 / 7.0	Yes
Columbia East	8 / 8 / 8.0	8 / 8 / 8.0	No
Columbia West	8 / 8 / 8.0	8 / 8 / 8.0	No
Florence	6 / 6 / 6.0	6 / 6 / 6.0	Yes
Greenville East	7 / 7 / 7.0	7 / 7 / 7.0	No
Greenville West	6 / 6 / 6.0	6 / 6 / 6.0	No
Spartanburg	9 / 9 / 9.0	9 / 9 / 9.0	No

North Carolina

Asheville	4 / 5 / 4.2	4 / 4 / 4.0	No
Charlotte	3 / 14 / 11.2	2 / 4 / 3.9	No
Greensboro	4 / 13 / 11.7	4 / 4 / 4.0	No
Lenoir	9 / 10 / 9.7	4 / 4 / 4.0	No
Raleigh	10 / 11 / 10.8	4 / 4 / 4.0	No
Wilmington	10 / 11 / 10.8	4 / 4 / 4.0	No
Statesville	7 / 8 / 7.7	4 / 4 / 4.0	No

Tennessee

Memphis	2 / 6 / 5.3	2 / 2 / 2.0	No
Jackson	4 / 4 / 4.0	2 / 2 / 2.0	No
Nashville	5 / 5 / 5.0	2 / 2 / 2.0	No
Columbia	2 / 7 / 3.3	2 / 2 / 2.0	No
Clarksville	2 / 6 / 3.8	2 / 2 / 2.0	No
Chattanooga	2 / 7 / 4.9	2 / 2 / 2.0	No
Knoxville	2 / 7 / 5.7	2 / 2 / 2.0	No

Kentucky

Vinchester	3 / 5 / 4.0	2 / 2 / 2.0	No
Pikeville	2 / 5 / 3.6	2 / 2 / 2.0	No
Corbin	4 / 5 / 4.7	2 / 2 / 2.0	No
Frankfort	6 / 7 / 6.8	2 / 2 / 2.0	No
Covington	2 / 8 / 6.4	2 / 2 / 2.0	No

Dwensboro	4 / 7 / 4.8	2 / 2 / 2.0	No
Paducah	2 / 7 / 4.1	2 / 2 / 2.0	No
Bowling Green	3 / 10 / 5.1	2 / 2 / 2.0	No

Docket No. 99178-TL
Exhibit REP-23
Page 3 of 6

Georgia			
Central Sndy Sprgs	3 / 3 / 3.0	3 / 3 / 3.0	No
Central Tucker	2 / 2 / 2.0	2 / 2 / 2.0	Yes
Central Downtown	3 / 3 / 3.0	3 / 3 / 3.0	Yes
Suburban South	1 / 1 / 1.0	1 / 1 / 1.0	No
Suburban East	3 / 9 / 6.0	3 / 9 / 6.0	No
Suburban West	3 / 3 / 3.0	2 / 2 / 2.0	Yes

Georgia (Outstate)			
East Athens	7 / 8 / 7.5	2 / 3 / 2.5	No
East Covington	7 / 8 / 7.7	2 / 7 / 5.0	No
East Cumming	3 / 11 / 7.0	2 / 2 / 2.0	No
East Dublin	2 / 6 / 4.3	2 / 2 / 2.0	No
East Augusta Metro	2 / 5 / 3.5	2 / 2 / 2.0	No
East Augusta Rural	3 / 7 / 5.0	2 / 3 / 2.5	No
East Savannah	2 / 2 / 2.0	1 / 1 / 1.0	No
East Brunswick	6 / 6 / 6.0	6 / 6 / 6.0	No
West Rome	4 / 7 / 5.3	3 / 3 / 3.0	No
West Newnan	4 / 5 / 4.7	3 / 3 / 3.0	No
West Columbus	2 / 2 / 2.0	2 / 2 / 2.0	No
West Macon	3 / 5 / 3.7	3 / 5 / 3.7	No
West Albany	5 / 7 / 6.2	5 / 7 / 6.2	No
West Valdosta	5 / 7 / 6.0	5 / 6 / 5.8	No

South Region Intervals Rpt / Service Order Created: 12/21/1999 12:20:54 PM CT

State / Area	Residence (In Days) Best/Worst/Average	Business (In Days) Best/Worst/Average	Saturday Apts
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Alabama			
North Alabama	2 / 5 / 3.2	2 / 2 / 2.0	No
Birmingham	4 / 7 / 5.6	2 / 2 / 2.0	No
Montgomery	2 / 6 / 4.3	2 / 2 / 2.0	No
Mobile	2 / 5 / 3.2	2 / 2 / 2.0	No

Mississippi			
North East	3 / 4 / 3.7	2 / 2 / 2.0	No
North Central	3 / 4 / 3.5	2 / 2 / 2.0	No
North West	3 / 3 / 3.0	2 / 2 / 2.0	No
Meridian	3 / 5 / 3.7	2 / 2 / 2.0	No
Jackson	3 / 4 / 3.1	2 / 2 / 2.0	No
Hattiesburg	3 / 4 / 3.4	2 / 2 / 2.0	No
Gulf Coast	4 / 5 / 4.5	2 / 2 / 2.0	No

Florida (South)			
North Dade	3 / 6 / 4.5	1 / 5 / 2.3	Yes
South Dade	10 / 14 / 12.4	4 / 11 / 7.6	No
Howard	8 / 8 / 8.0	4 / 4 / 4.0	Yes
Imm	8 / 8 / 8.0	4 / 4 / 4.0	Yes

Florida (North)			
Jacksonville	7 / 7 / 7.0	7 / 7 / 7.0	Yes
Nassau	7 / 7 / 7.0	7 / 7 / 7.0	No
Norfolk City	7 / 7 / 7.0	7 / 7 / 7.0	No
Navard	5 / 5 / 5.0	2 / 2 / 2.0	Yes

Indian River	10 / 10 / 10.0	7 / 7 / 7.0	No
Daytona	9 / 9 / 9.0	6 / 6 / 6.0	No
Orlando	4 / 4 / 4.0	3 / 3 / 3.0	Yes
Sanford	4 / 4 / 4.0	3 / 3 / 3.0	Yes
Gainesville	3 / 5 / 4.0	3 / 5 / 4.0	Yes
Brooksville	4 / 5 / 4.7	4 / 5 / 4.7	Yes
Lake City	4 / 4 / 4.0	3 / 4 / 3.5	Yes

Louisiana			
Wbmk/Dtwn/MC	3 / 4 / 3.4	2 / 2 / 2.0	No
Houma	3 / 4 / 3.5	2 / 2 / 2.0	No
Met/Ken/Gent	2 / 6 / 3.4	2 / 2 / 2.0	Yes
Cov/Ham	4 / 5 / 4.3	2 / 3 / 2.2	Yes
Shreveport	2 / 6 / 2.9	2 / 2 / 2.0	No
Monroe	2 / 7 / 3.2	2 / 2 / 2.0	No
Alexandria	3 / 5 / 3.9	2 / 2 / 2.0	No
Laf/Lk Ch	2 / 6 / 3.6	2 / 3 / 2.1	No
Baton Rouge	2 / 5 / 3.6	2 / 2 / 2.0	No

North Region Intervals Rpt / Maintenance Created: 12/21/1999 12:21:22 PM CT

State / Area	Residence OS (In Hours)	Residence AS (In Hours)	Business OS (In Hours)	Business AS (In Hours)
	Bst/Wst/Avg	Bst/Wst/Avg	Bst/Wst/Avg	Bst/Wst/Avg

South Carolina (as of 12/21/1999 13:04 ET)

Aiken	30 30 30.0	31 31 31.0	5 5 5.0	22 22 22.0
Anderson	99 150 150.0	99 151 151.0	53 53 53.0	99 149 149.0
Charleston North	99 150 150.0	99 150 150.0	27 27 27.0	46 46 46.0
Charleston South	54 54 54.0	99 150 150.0	29 51 31.4	46 149 57.4
Columbia East	31 31 31.0	31 31 31.0	5 5 5.0	22 22 22.0
Columbia West	31 31 31.0	31 31 31.0	5 5 5.0	22 22 22.0
Florence	55 55 55.0	99 151 151.0	5 5 5.0	22 22 22.0
Greenville East	99 150 150.0	99 151 151.0	27 27 27.0	99 149 149.0
Greenville West	30 30 30.0	99 151 151.0	27 27 27.0	99 149 149.0
Spartanburg	54 54 54.0	99 151 151.0	29 29 29.0	53 53 53.0

North Carolina (as of 12/21/1999 12:43 ET)

Asheville	32 32 32.0	56 152 101.2	6 6 6.0	6 6 6.0
Charlotte	32 56 44.4	99 152 152.0	23 31 27.1	23 31 27.1
Greensboro	30 54 41.5	54 174 118.3	23 23 23.0	23 30 25.0
Lenoir	24 24 24.0	30 54 39.2	23 23 23.0	23 23 23.0
Raleigh	24 55 35.5	99 151 151.0	6 23 6.9	6 31 11.9
Wilmington	31 55 40.1	55 151 91.6	6 7 6.4	7 7 7.0
Statesville	24 24 24.0	54 54 54.0	23 23 23.0	23 23 23.0

Tennessee (as of 12/21/1999 12:35 ET)

Memphis	54 54 54.0	55 55 55.0	7 8 7.4	8 8 8.0
Jackson	31 55 31.6	32 56 32.6	7 7 7.0	8 8 8.0
Nashville	31 31 31.0	31 31 31.0	7 8 7.6	7 8 7.6
Columbia	8 151 64.4	8 151 64.4	7 7 7.0	7 7 7.0
Clarksville	7 151 78.3	31 151 99.3	7 7 7.0	7 7 7.0
Chattanooga	31 55 36.8	31 55 36.8	7 7 7.0	7 7 7.0
Knoxville	55 151 73.6	55 151 73.6	7 7 7.0	7 7 7.0

Kentucky (as of 12/21/1999 12:42 ET)

Winchester	23 23 23.0	99 152 152.0	8 8 8.0	8 8 8.0
Pikeville	23 23 23.0	32 152 68.0	8 23 9.9	8 23 9.9
Corbin	23 23 23.0	99 152 152.0	8 8 8.0	8 8 8.0
Frankfort	23 23 23.0	99 152 152.0	23 23 23.0	23 23 23.0

Louisville	23 23 23.0	99 152 152.0	23 23 23.0	23 23 23.0
Dwensboro	23 23 23.0	32 152 104.0	8 8 8.0	8 8 8.0
Paducah	23 23 23.0	32 152 80.0	8 8 8.0	8 8 8.0
Bowling Green	23 23 23.0	32 152 93.3	8 8 8.0	8 8 8.0

Docket No. 991378-TL
Exhibit REP-23
Page 5 of 6

Georgia (as of 12/21/1999 12:34 ET)

Central Sndy Sprgs	31 31 31.0	31 31 31.0	5 5 5.0	5 5 5.0
Central Tucker	6 6 6.0	31 31 31.0	5 5 5.0	5 5 5.0
Central Downtown	31 31 31.0	31 31 31.0	4 4 4.0	5 5 5.0
Suburban South	99 127 127.0	99 127 127.0	8 8 8.0	8 8 8.0
Suburban East	99 151 151.0	99 151 151.0	6 6 6.0	7 7 7.0
Suburban West	99 150 150.0	99 151 151.0	30 30 30.0	31 31 31.0

Georgia (Outstate) (as of 12/21/1999 12:34 ET)

East Athens	55 151 103.0	56 152 104.0	7 7 7.0	7 7 7.0
East Covington	55 55 55.0	56 56 56.0	5 5 5.0	5 5 5.0
East Cumming	55 151 103.0	56 152 104.0	5 5 5.0	5 5 5.0
East Dublin	32 152 112.0	32 152 112.0	30 30 30.0	30 30 30.0
East Augusta Metro	32 56 44.0	32 56 44.0	5 30 17.5	5 30 17.5
East Augusta Rural	32 32 32.0	32 32 32.0	5 5 5.0	5 5 5.0
East Savannah	30 30 30.0	31 31 31.0	5 5 5.0	6 6 6.0
East Brunswick	55 55 55.0	55 55 55.0	5 5 5.0	6 6 6.0
Vest Rome	30 30 30.0	31 31 31.0	5 5 5.0	5 5 5.0
Vest Newnan	30 54 38.0	31 55 39.0	5 5 5.0	5 5 5.0
Vest Columbus	54 54 54.0	55 55 55.0	4 4 4.0	4 4 4.0
Vest Macon	54 54 54.0	55 55 55.0	7 7 7.0	7 7 7.0
Vest Albany	30 54 49.2	31 55 50.2	6 6 6.0	6 6 6.0
Vest Valdosta	30 54 36.0	31 55 37.0	6 6 6.0	6 6 6.0

South Region Intervals Rpt / Maintenance Created: 12/21/1999 12:21:22 PM CT

State / Area	Residence OS (In Hours)	Residence AS (In Hours)	Business OS (In Hours)	Business AS (In Hours)
	Bst/Wst/Avg	Bst/Wst/Avg	Bst/Wst/Avg	Bst/Wst/Avg

Alabama (as of 12/21/1999 11:30 CT)

North Alabama	31 151 100.9	31 151 100.9	4 4 4.0	4 4 4.0
Birmingham	32 152 67.7	32 152 67.7	4 4 4.0	4 4 4.0
Montgomery	31 151 75.2	31 151 75.2	4 5 5.0	4 5 5.0
Mobile	55 151 68.7	55 151 68.7	5 5 5.0	5 5 5.0

Mississippi (as of 12/21/1999 11:49 CT)

North East	31 55 47.0	31 55 47.0	4 4 4.0	4 4 4.0
North Central	31 55 37.0	31 55 37.0	4 4 4.0	4 4 4.0
North West	31 55 39.0	31 55 39.0	4 4 4.0	4 4 4.0
Meridian	55 151 87.0	55 151 87.0	4 4 4.0	4 4 4.0
Jackson	55 55 55.0	55 55 55.0	5 5 5.0	5 5 5.0
Hattiesburg	56 152 140.0	56 152 140.0	4 4 4.0	4 4 4.0
Gulf Coast	32 152 108.0	32 152 108.0	5 5 5.0	5 5 5.0

Florida (South) (as of 12/21/1999 12:42 ET)

North Dade	8 57 29.8	8 57 33.8	7 7 7.0	7 7 7.0
South Dade	8 152 79.8	31 152 74.6	7 55 32.1	7 55 32.1
Howard	31 31 31.0	31 31 31.0	30 30 30.0	31 31 31.0
Alam	30 30 30.0	31 31 31.0	6 7 6.8	6 7 6.8

Florida (North) (as of 12/21/1999 12:35 ET)

Jacksonville	99 152 152.0	99 152 152.0	54 54 54.0	99 150 150.0
Ensacola	99 151 151.0	99 151 151.0	54 54 54.0	54 54 54.0
anama City	99 151 151.0	99 151 151.0	54 54 54.0	54 54 54.0

Sevared	54 54 54.0	55 55 55.0	23 23 23.0	24 24 24.0
Indian River	56 56 56.0	99 152 152.0	6 6 6.0	7 7 7.0
Daytona	99 151 151.0	99 152 152.0	7 30 18.5	55 56 55.5
Orlando	31 31 31.0	31 31 31.0	7 30 22.3	7 30 22.3
Sanford	31 31 31.0	31 31 31.0	30 30 30.0	30 30 30.0
Gainesville	30 54 42.0	31 55 43.0	28 28 28.0	28 28 28.0
Brooksville	30 54 38.0	31 55 39.0	28 28 28.0	28 28 28.0
Lake City	30 30 30.0	31 31 31.0	28 28 28.0	28 28 28.0

Louisiana (as of 12/21/1999 11:14 CT)

Vbnk/Dtwn/MC	31 31 31.0	31 31 31.0	29 31 30.3	29 31 30.3
Louma	31 55 42.3	31 55 42.3	29 29 29.0	29 29 29.0
Met/Ken/Gent	31 55 44.3	31 55 44.3	5 30 13.3	5 30 13.3
Nov/Ham	31 151 113.8	31 151 113.8	5 150 80.1	5 150 80.1
Shreveport	55 55 55.0	55 55 55.0	30 30 30.0	30 30 30.0
Monroe	99 151 151.0	99 151 151.0	54 151 72.2	54 151 72.2
Alexandria	55 151 147.0	55 151 147.0	6 54 52.0	6 54 52.0
At/Lk Ch	55 151 74.2	55 151 74.2	6 6 6.0	6 6 6.0
Monroe Rouge	55 151 89.9	55 151 89.9	6 6 6.0	6 6 6.0

Exhibit REP-24
Docket No. 991378-TL

UNACCEPTABLE SERVICE INTERVALS

MEMO

To: Jere Drummond

From: Margaret Greene

Date: January 7, 2000

Re: Service intervals

Attached you will find information answering your request for recommendations on acceptable installation and repair intervals in each of our states. As we discussed recently service intervals have stretched beyond timeframes acceptable from either a consumer or regulatory focus.

As the attached indicates, our state commissions measure service in a variety of ways but the bottom line for all states is installation intervals should average 5 days, repair on out of service conditions should not exceed 24 hours and repair on service affecting should not exceed 48 hours. This matches the COUs indication of service levels required for customer satisfaction., they would prefer a three day interval on installation

You will note that we are missing PSC service measurements in all states but Kentucky. The problem was exacerbated by year end overtime limits but is also being impacted by missed commitments due to facilities constraints and CT disruptions. We are actively discussing our service standards and performance in several of our states, Florida, Mississippi and North Carolina (all in potentially punitive situations), Kentucky in the context of an overall review of our regulatory environment. In South Carolina service could be an issue shortly as well.

We can expect heightened attention to service in the coming years. As the Commissions find themselves constrained in their ability to directly control our earnings, they are shifting their attention to performance and self enforcing penalties (like we have in Mississippi). This has been a topic on the NARUC agenda recently and is a trend in regulation around the country.

Several other things to note in the attached information. While we talk about the need to differentiate service levels even more, you will see a tremendous disparity in business and residential intervals. While this is certainly appropriate for the business, it does create a political vulnerability. Also while the intervals are coming down from their year end levels, the numbers attached are averages and do not reflect missed appointments or intervals that while met ended in a PF, causing the customer further delay. They are averaged numbers and thus represent the best possible spin on our overall service levels.

Service Measurements in States

COUs indicate that customer satisfaction is affected by the following:

- Out-of-Service over 24 hours
- Service Affecting over 48 hours
- Installation intervals over 5 days

Other key points:

- All states (except KY) are missing PSC installation and/or maintenance service measurements or providing service at unacceptable levels.
- Three (3) states, FL, MS and NC, have proceedings or active dialog with their PSCs.
- Missing commitments generally and lack of facilities is increasing problem – CTs (cut throughs) being disrupted which will exacerbate the facilities problems in the future
- Missing commitments on installation and repair have a direct impact on the business office access – increased calls creating longer hold times.
- Longer installation and maintenance intervals being given on residence than business

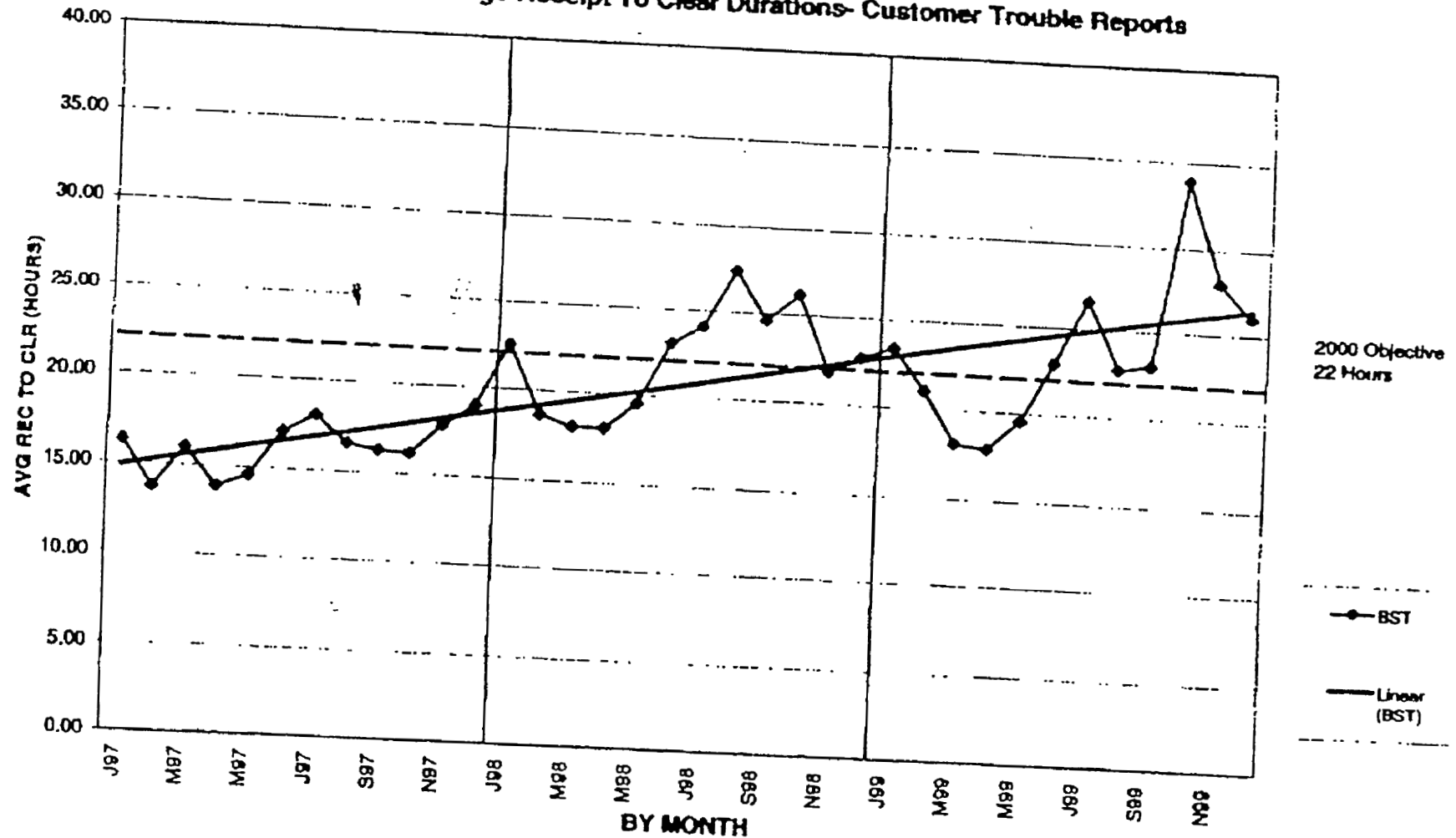
Exhibit REP-28

Docket No. 991378-TL

DECLINING BELLSOUTH SERVICE LEVELS

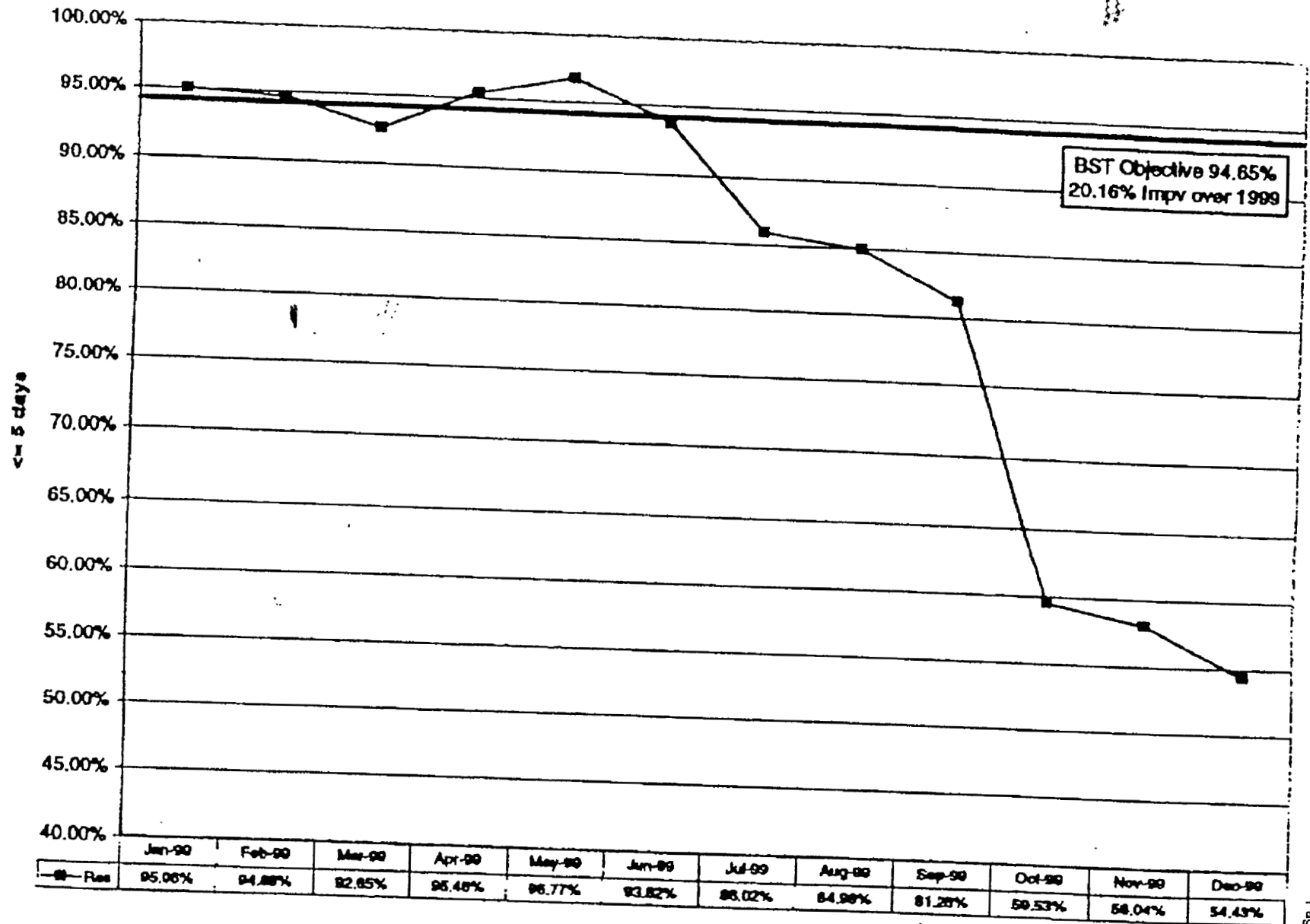
BST-CONSUMER

Average Receipt To Clear Durations- Customer Trouble Reports



PRIVATE/PROPRIETARY
CONTAINS PRIVATE AND/OR PROPRIETARY INFORMATION. MAY NOT BE USED OR DISCLOSED OUTSIDE
THE BELL SOUTH COMPANIES EXCEPT PURSUANT TO A WRITTEN AGREEMENT

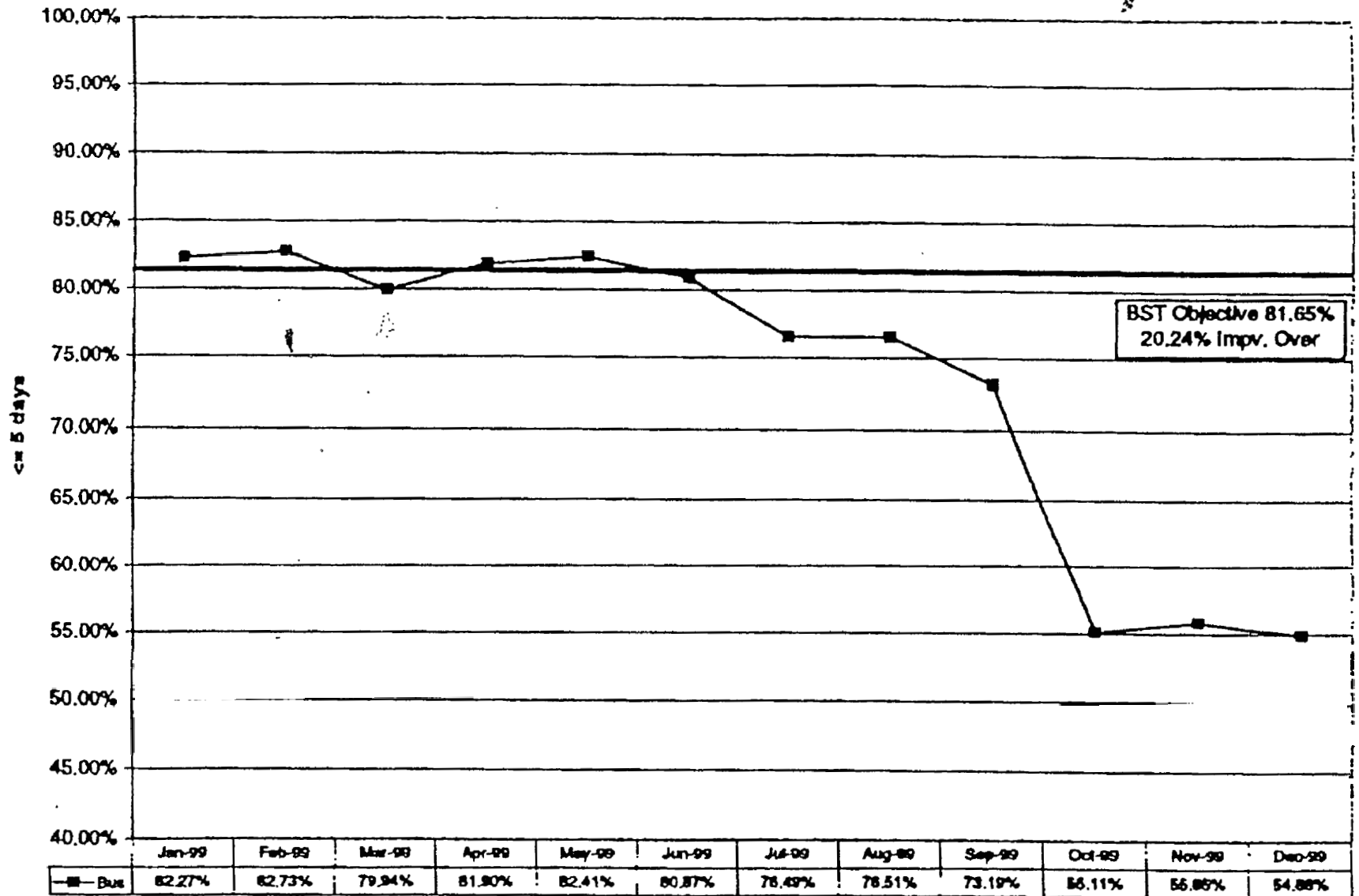
BST Consumer 1999



Data Source:
ICAMP Report

1/14/2000

BST Business 1999

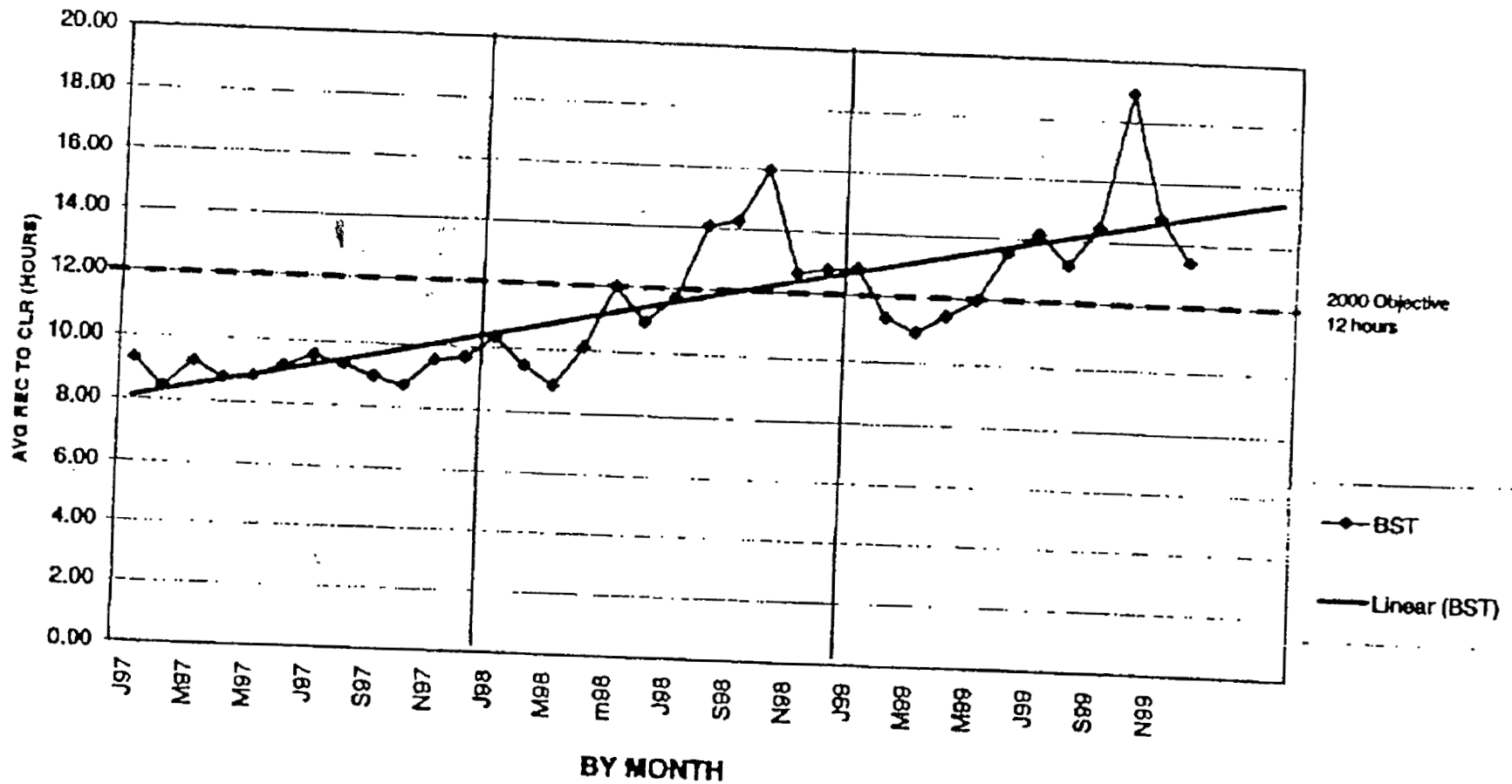


Data Source:
ICAMP Report

1/14/2000

BST-BUSINESS

Average Receipt To Clear Durations-Customer Trouble Reports



PRIVATE/PROPRIETARY
CONTAINS PRIVATE AND/OR PROPRIETARY INFORMATION. MAY NOT BE USED OR DISCLOSED OUTSIDE
THE BELL SOUTH COMPANIES EXCEPT PURSUANT TO A WRITTEN AGREEMENT

Exhibit REP-30

Docket No. 991378-TL

JANUARY, 1999 CONSUMER
CONTACT EMPLOYEES

SAWB Actual Priceout - January 1999

	Monthly Salary	Actual Headcount	Headcount w/o Benefits	January Priceout	Actuals	Miss
JG/WS			5.8%			
WS02	2,151	2	2	4,052		
WS10	2,476	111	105	258,885		
WS14	2,611	3	3	7,379		
WS16	2,367	205	193	457,089		
WS18	2,673	243	229	611,973		
WS20	2,811	39	37	103,268		
WS23	2,567	1,988	1,873	4,807,360		
Nmgt		2,591	2,441	6,250,007	6,747,243	497,236
			0.0%			
JG52	2,808	2	2	5,617		
JG53	3,175	1	1	3,175		
JG55	2,783	2	2	5,567		
JG57	4,283	215	215	920,916		
JG58	5,167	9	9	46,500		
JG59	5,767	26	26	149,933		
JG61	7,542	4	4	30,167		
JG64	11,233	1	1	11,233		
Mgt		260	260	1,173,108	1,149,681	(23,427)
TOTAL			2,701	7,423,115	7,896,924	473,809

<D:\Budget99\Jan 99 SAW analysis.doc
>
March 2, 1999

Docket No. 991378-
Exhibit REP-30
Page 2 of 8

TO: Travis Tolar
Sandra Gibbs

FROM: Al Carreras

Attached is a comparison of the January force. I arrived at the
Benefit FTE's by dividing the IB hours (from our Force Manager)
by 150 hours (20 workdays x 7.5 hours).

The contact (w/o clerks) force for January 1999:

Force Model- Budget 2,354
Budget's Force Input 2,378
Actuals less benefits 2,362

This is why I don't understand why we missed our January budget
by over \$300k.

The reason for the staffing miss of 27 (2475 - 2448) is that
January's attrition was 30 below our forecast.

Al

Florida's Contact Employees

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Budget

March 2, 1999

TO: Travis Tolar
Sandra Gibbs

FROM: Al Carreras

Attached is a comparison of the January force. I arrived at the Benefit FTE's by dividing the IB hours (from our Force Manager) by 150 hours (20 workdays x 7.5 hours).

The contact (w/o clerks) force for January 1999:

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Actuals less benefits	2,362

This is why I don't understand why we missed our January budget by over \$300k.

The reason for the staffing miss of 27 (2475 - 2448) is that January's attrition was 30 below our forecast.

Al

Florida's Contact Employees

	Force Model							
	Staffing	Budget	Benefit %	Budget's Force Input	Actuals	Benefits (see below)	Actuals w/o Benefits	Benefit %
Sales	688	658						
Service	1,266	1,220						
Sal & Svc	1,954	1,878	3.89%	1,943	1,988			
Coll	242	233	3.72%	199	243			
CSA's	212			198	205			
MA's	40			38	39			
Repair	252	243	3.57%	236	244			
TOTAL	2,448	2,354	3.84%	2,378	2,475	113	2,362	4.57%

IB hours in Jan 99: 16,892
 FTE Hours (20 x 7.5) 150
 IB FTE's 113

Item 1

TO: Al Carreras /FL,MIAM02
Bryan C. Eaves /m3,mail3a; PHONE=205-972-2961
Jim Hendry /NC,CHRL01; PHONE=704-417-8448
Mark S. Moore /m3,mail3a; PHONE=770-391-3638
Paul W. Wells /m2,mail2a; PHONE=615-214-3500
CC: William H. Beard /m7,mail7a; PHONE=404-927-7830
Keith Breeden /m6,mail6a; PHONE=404-529-5634
Trey Huffman /m3,mail3a; PHONE=404-529-8419
Jackie Mickle /m6,mail6a; PHONE=404-420-8205
William S. Sanders /m6,mail6a; PHONE=404-529-5306

Item 2

VP-GM Finance Guys,

Recently I sent each of you an e-mail asking "one last time for input regarding the seasonal spread in the 1999 budget". Well it looks like I lied. I'm asking again. Bill Beard indicated that this issue surfaced on multiple occasions in the VP-GM planning meetings with Sue McLaughlin this week. Budget spreads should be consistent with your staffing plans. The spread embedded in the HQ budget price out model is driven by the force model.

Delays / changes in the final round(s) of the target setting process provide us a window of opportunity to change seasonal and ECAT spreads in your budgets. I can't say with any certainty when the final budget load opportunity will come, but it should be soon - within days.

I know some of you have modified the spread provided in the HQ budget price out model. Nonetheless would each of you please provide Trey with a positive affirmation that your budget is consistent with your staffing plan or please provide a percent distribution by month of SAWBN and SAWON in your budget. If you are providing the later distributions, also provide a \$-total for each of the two ECATs by state. We can easily modify your budget with the later information. However, if the scope of spread adjustments you want to make is more extensive then please contact Trey to work out the details.

Thanks,
David

Item 1

TO: Keith Breeden /m6,mail6a; PHONE=404-529-5634
CC: Sandra R. Gibbs /m6,mail6a; PHONE=404-529-6925
Marge Marcules /FL,MIAM02; PHONE=305-260-8188
Joel Phillips /m6,mail6a; PHONE=404-927-2065
David A. Rittiner /m6,mail6a; PHONE=404-420-8205
William S. Sanders /m6,mail6a; PHONE=404-927-2071
Travis A. Tolar /m2,mail2a; PHONE=404-529-6306

Item 2

Keith,

I need your help in understanding how Basic Salary and Wages was priced out in the budget. Maybe the reconciliation of the Force Model and the budget's force that we discussed would be helpful.

Attached is a file where I have laid out my understanding of how the January budget was priced out. For information purposes I also included the latest budget I received from Travis although the differences are minor.

I use a 5.8% Benefits rate for non-management and 0% for Management to convert our actual headcount to "budget" headcount. When I do this, the non-management priceout is \$497,000 low. If I use 0% for benefits, the priceout is \$112,000 low.

HELP!!!

Al

Item 3

This item is of type MS EXCEL SPREADSHEET and cannot be displayed as TEXT

SAWB Budget Priceout - January 1999

	Monthly Salary	Budgeted Headcount	Priceout	NBV Headcount	NBV Priceout
JG/WS					
WS02	2,151	3	6,452		
WS10	2,476	111	274,825		
WS14	2,611	3	7,833		
WS16	2,367	198	468,664		
WS18	2,673	199	532,021		
WS20	2,811	38	106,815		
WS23	2,567	1,943	4,987,836	12	30,805
Nmgt		2,495	6,384,446	12	30,805
JG52	2,808	2	5,617		
JG53	3,175	1	3,175		
JG55	2,783	1	2,783		
JG57	4,283	185	792,416	0.2	857
JG58	5,167	9	46,500		
JG59	5,767	25	144,167		
JG61	7,542	4	30,167		
JG64	11,233	1	11,233		
Mgt		228	1,036,058	0	857
TOTAL		2,723	7,420,504	12	31,662
	Travis's total		7,444,738	12	54,082
	Difference		24,234		22,420

SAWB Actual Priceout - January 1999

	Monthly Salary	Actual Headcount	Headcount w/o Benefits	January Priceout	Actuals	Miss
JG/WS			5.8%			
WS02	2,151	2	2	4,052		
WS10	2,476	111	105	258,885		
WS14	2,611	3	3	7,379		
WS16	2,367	205	193	457,089		
WS18	2,673	243	229	611,973		
WS20	2,811	39	37	103,268		
WS23	2,567	1,988	1,873	4,807,360		
Nmgt		2,591	2,441	6,250,007	6,747,243	497,236
			0.0%			
JG52	2,808	2	2	5,617		
JG53	3,175	1	1	3,175		
JG55	2,783	2	2	5,567		
JG57	4,283	215	215	920,916		
JG58	5,167	9	9	46,500		
JG59	5,767	26	26	149,933		
JG61	7,542	4	4	30,167		
JG64	11,233	1	1	11,233		
Mgt		260	260	1,173,108	1,149,681	(23,427)
TOTAL			2,701	7,423,115	7,896,924	473,809

Exhibit REP-31
Docket No. 991378-TL

1999 HEAD COUNT CURTAILMENT

MEMO TO: CSLT

FROM: Marita Sullivan

SUBJECT: 3Q – "Brakes on Hiring"

In a recent voice mail, Sue McLaughlin announced that we would be putting the "brakes on hiring" during the third quarter. As a result of that announcement, I have been asked if there will be any safeguards built in to the management and non management hiring and selection processes to ensure this occurs.

After reviewing the situation, we have decided not to act as a "gatekeeper". Tier 1 managers are responsible for achieving their own gap closure objectives and modifying the hiring/selection processes would only delay the staffing of necessary jobs.

If you have any questions or concerns please don't hesitate to contact me.

CC: Ron Coburn
Suzanne Snypp
Terrie Crawford
Victoria Brown
Kathleen Schuler
Cathy Ferguson
Becky McLendon
Kim Cunningham

Good Afternoon,

Docket No. 991378-TI
Exhibit REP-31
Page 2 of 7

Attached for your use is the "Curtailment Template" as referenced in Marita's 8/19 voicemail. We would appreciate your assistance in filling out the following columns for your organization

- Projected EOM August
- Curtailment Commitment (Sept-Dec)
- Proposed EOM January 2000

A "Comments" section is also provided at the bottom of the template - please feel free to share any pertinent supporting info or concerns (e.g., OT implications, abandon rate impacts, etc.)

Consumer-Finance is completing the EOY99 Budget and July Actuals sections of the template for all of Consumer.

Please provide your input to Marita by Wednesday, August 25. A summarized version will be transmitted to you by end of day August 26, in preparation for the proposed conference call (date/time to be determined).

If you have any questions or comments regarding the above, please don't hesitate to contact either Marita (404-529-0668) or myself (404-529-0622).

Thank you!
Victoria Brown

Consumer / BBI
1999 Force Projection / Analysis
Total Employees

CONSUMER	Budgeted	Actuals	Projected *	1999 Curtailment Commitment				Proposed	Difference
Organizational Entity	EOY 1999	7/31/99	8/31/99	EOM Sept	EOM Oct	EOM Nov	EOM Dec	EOM Jan2K	7/31 vs. 12/31/99
Marketing									0
IT									0
HR / Infrastructure									0
Finance									0
Operations									
Staff									0
Georgia									0
Kentucky / Tennessee									0
Florida	2822	3118	3087	3077	2987	2957	2994	3102	-124
Alabama/Louisiana/Mississippi									0
North Carolina/South Carolina									0
Total	2822	3118	3087	3077	2987	2957	2994	3102	-124
Executive									0
Consumer Total	2822	3118	3087	3077	2987	2957	2994	3102	-124
BBI									0
Consumer / BBI Total	2822	3118	3087	3077	2987	2957	2994	3102	-124
* Projected taking into account current actuals plus any pipeline activity									
Comments:									

7/11/00

Vivian -

RICH TEXT

Subject: Force Curtailment

Creator: Marita J. Sullivan /m6,mail6a

Dated: 3/30/99

Size: 1019 bytes

Attached is your copy of the spreadsheet that we will be using to monitor the 1999 Force Curtailment Plan for Consumer Services and BBI. Future updates will be provided monthly through January 2000. If you have any questions, please contact me or Victoria Brown - (404) 529 0622.

Docket No. 991378-TI
Exhibit REP-31
Page 4 of 7

1999 Force Outcomes
Total Employees

EXHIBIT
Page 5 of 7

Marketing			157	163	169	168	167	-4
Curtailment Commitment **			157					
Actuals	161		0					
Difference								
HR/Infrastructure			73	73	73	73	73	0
Curtailment Commitment			73					
Actuals	72		-1					
Difference								
Finance			32	32	32	32	32	-1
Curtailment Commitment			32					
Actuals	32		-1					
Difference								
Operations								
Staff			153	155	162	162	162	-1
Curtailment Commitment **			153					
Actuals	174		20					
Difference								
Georgia* (includes Paging Ctr)			1524	1495	1547	1522	1577	-30
Curtailment Commitment			1524					
Actuals	1538		-16					
Difference								
Kentucky/Tennessee			1325	1309	1293	1337	1337	-18
Curtailment Commitment			1325					
Actuals	1337		-6					
Difference								
Florida			3087	3077	2987	2957	2994	-16
Curtailment Commitment			3087					
Actuals	3111		8					
Difference								
Alabama/Louisiana/Mississippi			2159	2116	2080	2138	2098	-21
Curtailment Commitment			2159					
Actuals	2201		21					
Difference								
North Carolina/South Carolina			1531	1506	1521	1531	1506	-23
Curtailment Commitment			1531					
Actuals	1556		2					
Difference								
Total			9779	9658	9590	9647	9674	-109
Curtailment Commitment			9779					
Actuals	9917		29					
Difference								
Executive			2	2	2	2	2	-3
Curtailment Commitment			2					
Actuals	5		0					
Difference								
Consumer Total			10064	9948	9886	9941	9967	-116
Curtailment Commitment			10064					
Actuals	10208		28					
Difference								
BBI			643	643	643	643	643	35
Curtailment Commitment			643					
Actuals *	624		16					
Difference								
Consumer/BBI Total			10707	10591	10529	10584	10610	-81
Curtailment Commitment			10707					
Actuals	10832		44					
Difference								

** Increases include additional HC for ADSL related initiatives (Operations Staff: 7, Marketing: 10+)
 * BBI actuals as reflected in ARGUS may be slightly overstated (Alliance system reflects an EOM Aug force level of 631)
 Sources: Actuals Data - Consumer Finance / BBI Finance (ARGUS) - End of Month Actuals
 Force Projections - Respective Entity Heads

RICH TEAM
Subject: 1999 Force Curtailment - Consumer / BBI
Creator: Victoria L. Brown /m6,mail6a

Size: 1143 bytes

Docket No. 991378-TJ
Exhibit REP-31
Page 6 of 7

Ron,

Attached is our Consumer/BBI force curtailment plan for the remainder of 1999. Marita and I are available to answer any questions - please call if we can be of further assistance.

Victoria
404-529-0622

1999 Force Projection / Analysis

Total Employees

CONSUMER	Actuals	Projected	1999 Curtailment Commitment				Difference
Organizational Entity	7/31/99	8/31/99	EOM Sept	EOM Oct	EOM Nov	EOM Dec	EOY99 vs. Jul99
Marketing **	161	157	163	169	168	167	6
IT	72	73	73	73	73	73	1
HR / Infrastructure	21	21	20	20	19	19	-2
Finance	32	32	32	32	32	32	0
Operations Staff **	174	153	155	162	162	162	-12
Georgia	1538	1524	1495	1547	1522	1577	39
Kentucky / Tennessee	1337	1325	1309	1293	1337	1337	0
Florida	3111	3087	3077	2987	2957	2994	-117
Alabama/Louisiana/Mississippi	2201	2159	2116	2080	2138	2098	-103
North Carolina/South Carolina	1556	1531	1506	1521	1531	1506	-50
Total	9917	9779	9658	9590	9647	9674	-243
Executive	5	2	2	2	2	2	-3
Consumer Total	10208	10064	9948	9886	9941	9967	-241
BBI	624	643	643	643	643	643	19
Consumer / BBI Total	10832	10707	10591	10529	10584	10610	-222
** Increases include additional HC for ADSL related initiatives (Operations Staff: 7, Marketing: 10+)							
Sources:	Budget Data	- Consumer Finance / BBI Finance (ARGUS - Current Tracking View)					
	Actuals Data	- Consumer Finance / BBI Finance (ARGUS)					
	Force Projections	- Respective Entity Heads					

7/11/00

Exhibit REP-32

Docket No. 991378-TL

HEADQUARTER'S \$30 MILLION BUDGET CUT

Comparison of 1999 HQ (10-23 view) vs. Fla View

	<u>Fla View</u>	<u>HQ 10-23 View</u>	<u>Difference</u>
Expense	203,414	173,305	30,109
Force	2,989	2,745	244

Explanation of \$30.1M difference:

Non-Mgt Premium Pay	5.7		
6 mo wage increases for WS 16, 23	4.7		
Severance Pay-Mgt	0.8		
Severance Pay-Nmgt	2.4		
Mgt OT	0.5		
SAW Subtotal		14.1	
PBT on above		2.2	
SAW priceout differences			16.3
Difference in Mgt Force	6.8		
Difference in NMgt Force	4.1		
Force Subtotal		10.9	
PBT on above		1.7	
SAW Force differences			12.6
Other Differences			1.2
TOTAL DIFFERENCE			30.1

Exhibit REP-33

Docket No. 991378-TL

CONSUMER ORGANIZATION ATTACKS NETWORK

Item 1

Docket No. 991378-T1
Exhibit REP-33
Page 1 of 2

FROM: Roger R. Puerto /m6,mail6a; PHONE=305-260-8025
TO: Edith Campins /m3,mail3a; PHONE=305-260-8118
CC: Aldo F. Alleguez /m6,mail6a; PHONE=404-927-7622
Ray Kummer /m6,mail6a; PHONE=305-260-8711
Scott A. Mulcahy /m2,mail2a; PHONE=954-492-2800

Item 2

==> Folks:

==>

==>In reviewing the October, Final, MDP results I have some serious concerns
==>that I need to share with you. Some of the results were so far off from
==>the targets that I have taken steps to check to eliminate the possibility
==>of system errors.

==>

==>1. Of 12 contracted measures we are missing 8, year to date.

==>

==>2. In October the % Installation Appts. Offered <3 days was 8.7. The
==>contracted level is 91.0.

==>

==>3. Measure #14, Pending Dispatch to clear by Network(hours)), reached an
==>all time high of 46.1. This in spite of the fact that Measure #8 was at
==>99.2, an indication that the RRC is doing an excellent job up front.

==>

==>As you know Consumer has put a great deal of effort into eliminating
==>overrides. This in spite of the fact that the long intervals have resulted
==>in increasing customer pressure to do so.

==>

==>Also an ongoing concern is the matter of appointment intervals. A spot
==>check of installation intervals on 11/29, 12/02 and today indicate
==>intervals as far out as 13 days, on the average, for some of the areas. In
==>most cases the disparity between residence as business intervals is also
==>extraordinary. On 11/29 while Broward showed an average of 10 days for
==>residence the average for business was 1 day. On 12/02 Palm was averaging
==>10 days for residence and 2.0 for business.

==>

==>Further, in reviewing the intervals for the rest of the region ours seem to
==>be the longest, except for N. Carolina, which as we know suffered the brunt
==>of the Hurricane season.

==>

==>With increasing competitive activity this is the worst time to be risking
==>customer dissatisfaction and factors such as the longer intervals and the
==>continuing MemoryCall problems are impacting our Customer Satisfaction
==>measurements. Additionally, the feedback from our service representatives
==>regarding customer reaction to the longer intervals indicates that it is
==>taking a toll on their interaction with customers.

==>

==>We understand the budget constraints you are operating under and we are
==>ready to work with you to implement any measures that can help the
==>situation but we are asking for your support in addressing these issues as
==>expediently as possible.

==>

==>Thanks

==>

==>Edith

==>

==>

=====

Edith,

First of all in addressing the October results, we were significantly impacted
by Hurricane Irene. In addition we were still recovering from the impact of
Hurricane Floyd/Dennis, etc. which dumped a lot of rain and wind into our area.

As far as where we are today. North Dade is pretty much back to normal on

Roger R. Puerto /MO/Mallorca 12/20/99 10:23

Page 2

Repair. We woke up this morning, as well as most of the days last week with our Repair clocks on zero days (today), both Residence as well as Business. We're doing our best in trying to keep it on zero day as long as possible.

As far as service order provisioning is concerned, this morning we woke up with an average of 6.3 days on Residence, remember that the Interval Report includes Saturday and the Florida PSC does not in calculating the interval; therefore our average is really 5.3 days. In our attempt to bring our Service Orders lights in, last Saturday, we were able to open up for service order provisioning for the first time since August and we worked 381 orders. We intent to do the same for the next two Saturdays and even take more service orders on those two Saturdays than the 381 we worked last Saturday, depending on the number of troubles we have pending. We have also began to take more service orders every day. As of this morning, North Dade had 2,994 orders pending (with 590 scheduled to be worked today); the normal number of orders we have pending at this time of the year is between 1,850 and 2250. The farthest out we had a Customer Service Team was Tuesday 12/15/99, but we moved that CST in to start taking orders for Saturday 12/11/99.

We have been able to accomplish this by working overtime to catch up. In November, North Dade had one of the highest overtime rates in the Company, working 15.2% overtime. I believe when we get the overtime results on Tuesday for last week, North Dade probably will be the district with the highest overtime in the Company, we worked 2,472 overtime hours on Saturday, 12/4/99, (5,646 overtime hours last week). This is taking quite a risk because Network is still under the edit of working below 7% overtime, but Scott has gone to fight for us and Ralph has been able to reduce the overtime for North Florida, Louisiana, Mississippi and Alabama so that we in South Florida could work the overtime to improve the service that we are giving our customers.

We're getting better, believe me, with all the weather related problems that we have had, it has not been easy to bring back to normal the Repair clocks, but now that we're almost there (we will proclaim being there when we're able to keep all the clocks past 1 PM every day) we can concentrate on the service order lights.

If you want to discuss further, please call me.

Roger

=====

Exhibit REP-34
Docket No. 991378-TL

60 (SIXTY) PEOPLE SHORT

February 1, 1999

MEMORANDUM TO: Wayne Tubaugh
FROM: Diane Delgouffre
Manager - Small Business Repair Center
SUBJECT: Sample Answer time for January 1999

Below are the sample answer times on 780-2222, the published business repair number for Florida, for the month of January, 1999:

January, 1999 (20 working days):

Sunrise BRC
15/55 Seconds

300 attempts
300 attained in 15 seconds
100%

128 attained in 55 seconds
42.7%

If you require further information, please contact me at 954-742-1138.

February 10, 1999

MEMO TO: Wayne Tubaugh
FROM: Diane Delgouffre
RE: Answertime

Per your request, we provide the following information regarding our answertime results in January, 1999.

Due to our loss of headcount in December, we have been unable to provide satisfactory access service levels to our small business repair customers throughout the Region. In January, we began large teaming the calls among all of our Small Business Repair Centers, including our largest center in Florida. Because of this, we were unable to provide a 95% answertime access result to our Florida customers.

We are in the process of hiring additional maintenance administrators in several of our centers, which will provide the resources we need to handle our heavy call volume. We plan to continue utilizing our Florida center to large team calls with the other centers to ensure we are providing the best access to all of our customers throughout the Region.

Please call me at 954-742-1138 if you care to discuss this further.

SMALL BUSINESS				
Sunrise	ATTEMPTS	PASSED	FAIL	Cumulative % Passed
01/04/99	15	0	15	0.0%
01/05/99	15	3	12	10.0%
01/06/99	17	3	14	12.8%
01/07/99	17	5	12	17.2%
01/08/99	17	11	12	27.2%
01/11/99	12	6	6	30.1%
01/12/99	15	11	4	36.1%
01/13/99	15	11	4	40.7%
01/14/99	12	11	1	45.2%
01/15/99	15	13	2	49.3%
01/18/99	11	4	7	48.4%
01/19/99	15	4	11	46.6%
01/20/99	15	6	9	46.1%
01/21/99	16	5	11	44.9%
01/22/99	17	9	8	45.5%
01/25/99	16	5	11	44.6%
01/26/99	15	3	12	43.1%
01/27/99	15	7	8	43.3%
01/28/99	15	5	10	42.8%
01/29/99	15	6	9	42.7%
TOTALS	300	128	178	42.7%

March 12, 1999

MEMORANDUM TO: Wayne Tubaugh
FROM: Diane Delgouffre
Manager - Small Business Repair Center
SUBJECT: Sample Answertime for February 1999

Below are the sample answertimes on 780-2222, the published business repair number for Florida, for the month of February, 1999:

February, 1999 (20 working days):

Sunrise BRC
15/55 Seconds

300 attempts
300 attained in 15 seconds
100%

110 attained in 55 seconds
36.7%

If you require further information, please contact me at 954-742-1138.

March 12, 1999

~

MEMO TO: Wayne Tubaugh
FROM: Diane Delgouffre
RE: Answertime

Per your request, we provide the following information regarding our answertime results in February, 1999.

Due to our loss of headcount in December, we have been unable to provide satisfactory access service levels to our small business repair customers throughout the Region. In January, we began large teaming the calls among all of our Small Business Repair Centers, including our largest center in Florida. Because of this, we were unable to provide a 95% answertime access result to our Florida customers.

We are in the process of hiring additional maintenance administrators in several of our centers, which will provide the resources we need to handle our heavy call volume. We plan to continue utilizing our Florida center to large team calls with the other centers to ensure we are providing the best access to all of our customers throughout the Region.

Please call me at 954-742-1138 if you care to discuss this further.

April 2, 1999

MEMORANDUM TO: Wayne Tubaugh
FROM: Diane Delgouffre
Manager - Small Business Repair Center
SUBJECT: Sample Answertime for March 1999

Below are the sample answertimes on 780-2222, the published business repair number for Florida, for the month of March, 1999:

March, 1999 (23 working days):

Sunrise BRC
15/55 Seconds

300 attempts
300 attained in 15 seconds
100%

108 attained in 55 seconds
36.0%

If you require further information, please contact me at 954-742-1138.

April 2, 1999

MEMO TO: Wayne Tubaugh
FROM: Diane Delgouffre
RE: Answertime

Per your request, we provide the following information regarding our answertime results in March, 1999.

Due to our loss of headcount in December, we have been unable to provide satisfactory access service levels to our small business repair customers throughout the Region. In January, we began large teaming the calls among all of our Small Business Repair Centers, including our largest center in Florida. Because of this, we were unable to provide a 95% answertime access result to our Florida customers.

We are in the process of hiring additional maintenance administrators in several of our centers, which will provide the resources we need to handle our heavy call volume. We plan to continue utilizing our Florida center to large team calls with the other centers to ensure we are providing the best access to all of our customers throughout the Region.

Please call me at 954-742-1138 if you care to discuss this further.

SMALL BUSINESS				
Sunrise	ATTEMPTS	PASS	FAIL	% Passed
03/01/99	14	2	12	14.3%
03/02/99	13	4	9	22.2%
03/03/99	13	3	10	22.5%
03/04/99	13	4	9	24.5%
03/05/99	13	5	8	27.3%
03/08/99	14	6	8	30.0%
03/09/99	14	5	9	30.9%
03/10/99	14	6	8	32.4%
03/11/99	14	2	12	30.3%
03/12/99	13	6	7	31.9%
03/15/99	14	4	10	31.5%
03/16/99	13	3	10	30.9%
03/17/99	13	7	6	32.6%
03/18/99	13	5	8	33.0%
03/19/99	13	8	5	34.8%
03/22/99	13	4	9	34.6%
03/23/99	13	7	6	35.7%
03/24/99	13	1	12	34.2%
03/25/99	13	5	8	34.4%
03/26/99	0	0	0	34.4%
03/29/99	16	7	9	34.9%
3/30/99	16	7	9	35.4%
3/31/99	15	7	8	36.0%
TOTALS	300	108	192	36.0%

off

May 3, 1999

MEMORANDUM TO: Wayne Tubaugh
FROM: Diane Delgouffre
Manager - Small Business Repair Center
SUBJECT: Sample Answertime for April 1999

Below are the sample answertimes on 780-2222, the published business repair number for Florida, for the month of April, 1999:

April, 1999 (22 working days):

Sunrise BRC
15/55 Seconds

300 attempts
300 attained in 15 seconds
100%

127 attained in 55 seconds
43.0%

If you require further information, please contact me at 954-742-1138.

May 3, 1999

MEMO TO: Wayne Tubaugh
FROM: Diane Delgouffre
RE: Answertime

Per your request, we provide the following information regarding our answertime results in April, 1999.

Due to our loss of headcount in December, we have been unable to provide satisfactory access service levels to our small business repair customers throughout the Region. In January, we began large teaming the calls among all of our Small Business Repair Centers, including our largest center in Florida. Because of this, we were unable to provide a 95% answertime access result to our Florida customers.

We are in the process of hiring additional maintenance administrators in several of our centers, which will provide the resources we need to handle our heavy call volume. We plan to continue utilizing our Florida center to large team calls with the other centers to ensure we are providing the best access to all of our customers throughout the Region.

Please call me at 954-742-1138 if you care to discuss this further.

SMALL BUSINESS				Current
Sunrise	ATTEMPTS	PASS	FAIL	% Passed
04/01/99	16	5	11	31.3%
04/02/99			0	31.3%
04/05/99	16	4	12	28.1%
04/06/99	16	2	14	22.9%
04/07/99	16	9	7	31.3%
04/08/99	16	9	7	36.3%
04/09/99	16	9	7	39.6%
04/12/99	15	2	13	36.0%
04/13/99	15	8	7	38.1%
04/14/99	16	9	7	40.1%
04/15/99	14	7	7	41.0%
04/16/99	15	12	3	44.4%
04/19/99	16	9	7	45.5%
04/20/99	15	7	8	45.5%
04/21/99	14	7	7	45.8%
04/22/99	14	12	2	48.3%
04/23/99	11	6	5	48.5%
04/26/99	12	4	8	47.8%
04/27/99	12	1	11	46.0%
04/28/99	12	2	10	44.8%
04/29/99	12	0	12	43.6%
04/30/99	11	3	9	43.0%
TOTALS	300	127	174	43.0%

off

June 15, 1999

MEMORANDUM TO: Wayne Tubaugh
FROM: Diane Delgouffre
Manager - Small Business Repair Center
SUBJECT: Sample Answertime for May 1999

Below are the sample answertimes on 780-2222, the published business repair number for Florida, for the month of May, 1999:

May, 1999 (20 working days):

Sunrise BRC
15/55 Seconds

300 attempts
300 attained in 15 seconds
100%

146 attained in 55 seconds
48.7%

If you require further information, please contact me at 954-742-1138.

June 15, 1999

MEMO TO: Wayne Tubaugh
FROM: Diane Delgouffre
RE: Answertime

Per your request, we provide the following information regarding our answertime results in May, 1999.

Due to our loss of headcount in December, we have been unable to provide satisfactory access service levels to our small business repair customers throughout the Region. In January, we began large teaming the calls among all of our Small Business Repair Centers, including our largest center in Florida. Because of this, we were unable to provide a 95% answertime access result to our Florida customers.

We are in the process of hiring additional maintenance administrators in several of our centers, which will provide the resources we need to handle our heavy call volume. We plan to continue utilizing our Florida center to large team calls with the other centers to ensure we are providing the best access to all of our customers throughout the Region.

Please call me at 954-742-1138 if you care to discuss this further.

July 14, 1999

MEMORANDUM TO: Wayne Tubaugh
FROM: Diane Delgouffre
Manager - Small Business Repair Center
SUBJECT: Sample Answertime for June 1999

Below are the sample answertimes on 780-2222, the published business repair number for Florida, for the month of June, 1999:

June, 1999 (22 working days):

Sunrise BRC
15/55 Seconds

300 attempts
300 attained in 15 seconds
100%

79 attained in 55 seconds
26.3%

If you require further information, please contact me at 954-742-1138.

July 14, 1999

MEMO TO: Wayne Tubaugh
FROM: Diane Delgouffre
RE: ~~ans~~ Answertime

The following is an excerpt of a memo from Bob Daniel, Vice President-Operations, Small Business. This memo was sent to the Network Vice Presidents, in each state on June 15, 1999.

"Over the past year, we have been planning for our BRC call receipt functions to be performed by various sources both inside and outside BellSouth. Recently, we decided not to obtain call receipt functionality from outside BellSouth. This change required us to hire *internally* the forces we previously planned to obtain from other suppliers. We are currently 60 people short of the force level needed to reduce our recent abandoned call levels in the 20% range to minimally acceptable levels -- not greater than 10%. To close this gap, we are using some Maintenance Administrators to handle calls, creating the current shortfall in our ability to screen troubles as timely as we both desire.

To remedy this situation, especially as we head into the peak summer load, we are:

- working voluntary overtime
- borrowing call receipt people from other Small Business departments (10)
- hiring temporary employees to handle calls (32)
- hiring permanent Maintenance Administrators (66)
- implementing alternate methods for customers to reach us
 - ** internet
 - ** voice message
 - ** FAX

Please call me at 954-742-1138 if you care to discuss this further.

Sunrise	SMALL BUSINESS			Cumm
	ATTEMPTS	PASS	FAIL	% Passed
06/01/99	10	6	4	60.0%
06/02/99	16	4	12	38.5%
06/03/99	16	8	8	42.9%
06/04/99	15	4	11	38.6%
06/07/99	10	3	7	37.3%
06/08/99	16	8	8	39.8%
06/09/99	14	4	10	38.1%
06/10/99	14	3	11	36.0%
06/11/99	14	6	8	36.8%
06/14/99	14	6	8	37.4%
06/15/99	14	6	8	37.9%
06/16/99	14	6	8	38.3%
06/17/99	14	2	12	36.5%
06/18/99	14	4	10	35.9%
06/21/99	13	1	12	34.1%
06/22/99	10	2	8	33.5%
06/23/99	13	1	12	32.0%
06/24/99	10	1	9	31.1%
06/25/99	7	2	5	31.0%
06/28/99	17	0	17	29.1%
06/29/99	18	0	18	27.2%
06/30/99	17	2	15	26.3%
TOTALS	300	79	221	26.3%

Exhibit REP-35

Docket No. 991378-TL

HUMAN RESOURCES PERFORMANCE

Bob,

In response to your voice mail message this morning regarding my opinion on the performance of Human Resources Staffing I offer the following:

The performance of the Human Resources Staffing Department has very much improved over what we have seen from this organization in the past. This was evidenced by the commitment to fill all of the 302 vacancies for Florida Consumer Services, which were requisitioned with a start date of January 4th. Although there were bumps and bruises along the way, they have shared that this was a definite learning experience and that the issues of concern, such as timeliness of security background checks, and drug screens are being addressed and or escalated. Another process that needs to be fine tuned is the administration of the Realistic Job Preview (RJP). In an effort to meet their commitment, staffing made job offers to some applicants contingent upon completion of the RJP. This was due largely in part to the number of vacancies to be filled and the holiday season, which impacted the process. We have already seen a couple of incidents where contingent offers have caused problems and will advise Staffing that job offers should not be made until the RJP has been completed. These process issues have contributed to the student losses we have had. Attached is a spreadsheet tracking these losses.

Although there is definite room for additional improvement, Staffing should be commended for their accomplishment and encouraged to continue to strive to meet the expectations of the Florida Consumer Services organization.

Exhibit REP-36

Docket No. 991378-TL

1999 REDUCTIONS

5:47 PM 7/11/00

1999 NORTH - PERMANENT REQUISITIONS

Office	JVN #	Position	Date Signed	Date Due	Orig # of Vac	Reclassif	Increased	Canceled	Adj # of Vac	SELECTIONS						To be Filled	Status
										Churn	Reclass.	Incumbent	New Hires	Total Adds	Total Selected		
SALES:																	
Orlando	98-7430	Svc Rep	10/2/98	1/4/99	35	16	0	-13	38	2	16	1	21	22	40	0	Adj -10 10/30-new model/24 reclass & 2 churn-3 short
Jacksonville	98-8768	Svc Rep	11/12/98	ASAP	0	12	0	0	12	0	12	0	0	0	12	0	Reclassifications
Orlando	98-9151	Svc Rep	12/2/98	3/1/98	11	0	0	0	11	1	0	3	8	11	12	0	
Jacksonville	98-9155	Svc Rep	12/2/98	3/1/98	22	0	11	0	33	0	0	9	24	33	33	0	Add 10 fm Svc 98-9154, +1 for backfill due to drug
Orlando	99-0285	Svc Rep	1/7/98	4/5/98	8	0	1	0	9	0	0	2	7	9	9	0	Increased by 1 at HR's request
Jacksonville	99-0288	Svc Rep	1/7/98	4/5/98	30	0	0	-3	27	0	0	0	27	27	27	0	3 no show 5/3
Jacksonville	99-1007	Svc Rep	2/4/99	5/3/99	10	0	0	-2	8	0	0	0	8	8	8	0	1 no show 5/3, 1 no show 5/17
Orlando	99-1729	Svc Rep	3/3/99	6/7/99	20	2	0	-1	21	0	2	0	19	19	21	0	1 no show 6/28
Jacksonville	99-2525	Svc Rep	4/2/99	7/6/99	10	0	0	0	10	0	0	0	10	10	10	0	1 no show
Jacksonville	99-2751	Svc Rep	4/14/99	TBD	75	0	0	-20	55	0	0	0	55	55	55	0	20 Canceled 5/6, issued in Pensacola
Orlando	99-3094	Svc Rep	5/4/99	8/2/99	15	0	1	0	16	0	0	1	15	16	16	0	1 for no show 99-1729
Jacksonville	99-4264	Svc Rep	6/30/99	ASAP	40	0	-10	0	30	1	0	1	29	30	31	0	Replaces 1999-3747, cancelled 10 due to freeze
					278	30	3	-38	270	4	30	17	223	240	274	0	
SERVICE:																	
FL Pierce	98-7379	Svc Rep	10/2/98	1/4/99	12	0	4	0	16	1	0	15	1	16	17	0	Adj. +3-10/30-new model, 1 Over
Gainesville	98-7431	Svc Rep	10/2/98	1/4/99	15	0	0	-2	13	2	0	11	2	13	15	0	1 reclassification-2 short backfill on 8376
Daytona	98-7433	Svc Rep	10/2/98	1/4/99	12	1	3	0	16	0	1	0	15	15	16	0	Adj. 10/30-new model-1 short backfill on 9152
Jacksonville	98-7434	Svc Rep	10/2/98	1/4/99	10	10	4	0	24	0	10	14	0	14	24	0	Adj. 10/30-new model- Increase for Reclassif
Gainesville	98-8376	Svc Rep	10/30/98	2/15/99	40	1	3	-5	39	0	1	2	38	38	39	0	2 backfills fm 7431, decrease 5 for adds in WPB 8373
Panama City	98-8769	Svc Rep	11/12/98	2/12/99	0	3	0	0	3	0	3	0	0	0	3	0	Reclassifications
Pensacola	98-8770	Svc Rep	11/12/98	2/12/99	0	8	0	0	8	0	8	0	0	0	8	0	Reclassifications
Daytona	98-9152	Svc Rep	12/2/98	3/1/98	10	0	1	0	11	0	0	1	10	11	11	0	1 backfill fm 7433-cancel 1 over on 9153
Panama City	98-9153	Svc Rep	12/2/98	3/1/98	10	0	1	0	11	0	0	7	4	11	11	0	HR request increase by 1-cancel 1 on 9152
Jacksonville	98-9154	Svc Rep	12/2/98	3/1/98	10	0	0	-10	0	0	0	0	0	0	0	0	Chg'd to Sales 98-9155 - 1/11
FL Pierce	99-0286	Svc Rep	1/7/99	4/5/99	10	0	0	0	10	0	0	7	3	10	10	0	
Gainesville	99-0289	Svc Rep	1/7/99	4/5/99	20	0	0	-1	19	0	0	2	17	19	19	0	Canceled one - No show
Jacksonville	99-1008	Svc Rep	2/4/99	5/3/99	15	0	0	-15	0	0	0	0	0	0	0	0	Scan per Venny add Mia Svc, 10 canceled issued Daytona
FL Pierce	99-1068	Svc Rep	2/4/99	5/3/99	10	0	0	-10	0	0	0	0	0	0	0	0	Replaced in Mia Svc 1-Req signed 3/3
Daytona	99-2505	Svc Rep	4/2/99	ASAP	10	0	1	0	11	0	0	1	10	11	11	0	Issued to replace 99-1008 Jax
Daytona	99-2507	Svc Rep	4/2/99	7/6/99	10	0	1	-1	10	0	0	0	10	10	10	0	1 no show
Panama City	99-2508	Svc Rep	4/2/99	7/6/99	5	0	3	0	8	0	0	1	7	8	8	0	Increased by 3-replace losses to 98-9153
Jacksonville	99-2526	Svc Rep	4/2/99	7/6/99	12	0	8	0	20	0	0	3	17	20	20	0	
Pensacola	99-3149	Svc Rep	5/7/99	6/28/99	20	0	0	0	20	0	0	0	20	20	20	0	
Gainesville	99-3305	Svc Rep	5/7/99	6/28/99	10	0	0	0	10	0	0	2	8	10	10	0	
					241	23	29	-44	249	3	23	66	160	226	249	0	
REPAIR:																	
Jacksonville	98-7432	MA	10/2/98	1/4/99	1	0	0	0	1	0	0	1	0	1	1	0	Filled in 1998
Jacksonville	98-8767	CSA	10/11/98	1/4/99	0	17	10	0	27	0	17	10	0	10	27	0	Reclass.+10 backfill 1/4 shortages in Mia-1m2/15
Jacksonville	99-1396	MA	2/16/99	ASAP	2	0	0	0	2	0	0	2	0	2	2	0	
Jacksonville	99-3302	MA	5/5/99	ASAP	3	0	0	0	3	0	0	3	0	3	3	0	
Jacksonville	99-3981	CSA	6/17/99	ASAP	2	0	0	-1	1	0	0	1	0	1	1	0	
					8	17	10	-1	34	0	17	17	0	17	34	0	
Permanent - North Territory					525	70	42	-84	553	7	70	100	383	483	560	0	

1999 SOUTH - PERMANENT REQUISITIONS

Office	JVN #	Position	Date Signed	Date Due	Orig # of Vac	Reclassif	Increased	Canceled	Adj # of Vac	Selected						To be Filled	Status
										Churn	Reclass.	Incumbent	New Hires	Total Adds	Total Selected		
SALES:																	
FL. Laud.	98-7377	Svc Rep	10/2/98	1/4/99	43	1	1	-20	25	0	1	2	22	24	25	0	Adj. 10/30-new model
Miami	98-7349	Svc Rep	10/2/98	1/4/99	50	15	0	-5	60	0	15	0	45	45	60	0	5 Short
Multi	98-7350	Svc Rep	10/2/98	1/4/99	10	18	0	0	28	0	18	0	10	10	28	0	
FL. Laud.	98-8371	Svc Rep	10/30/98	2/1/99	25	2	0	-1	26	0	2	0	24	24	26	0	1 Short
Multi	98-9042	Svc Rep	12/2/98	3/1/99	15	0	-2	0	13	0	0	0	13	13	13	0	2 Short
Multi WEC	99-0387	Svc Rep	1/7/99	4/5/99	10	0	0	0	10	0	0	0	10	10	10	0	
Miami	99-0643	Svc Rep	12/2/99	3/1/99	20	0	0	0	20	0	0	0	20	20	20	0	Chg'd fm Svc to Sales 1/19
FL. Laud.	99-0751	Svc Rep	1/7/99	4/5/99	20	0	0	-3	17	0	0	0	17	17	17	0	3 Short
Miami	99-0503	Svc Rep	1/15/99	ASAP	0	14	0	0	14	0	14	0	0	0	14	0	Reclassifications Only
Miami	99-1003	Svc Rep	2/4/99	5/3/99	12	0	0	0	12	0	0	0	12	12	12	0	
Multi WEC	99-1005	Svc Rep	2/4/99	5/3/99	10	0	0	-4	6	0	0	0	6	6	6	0	4 short
Miami	99-2499	Svc Rep	4/1/99	7/6/99	10	0	0	0	10	0	0	0	10	10	10	0	
Miami	99-3096	Svc Rep	5/4/99	8/2/99	20	0	0	0	20	0	0	0	20	20	20	0	
Multi	99-3308	Svc Rep	5/7/99	6/28/99	20	0	0	-1	19	0	0	0	19	19	19	0	1 not filled added to 99-3748
FL. Laud.	99-3418	Svc Rep	5/21/99	6/28/99	20	0	0	-20	0	0	0	0	0	0	0	0	
Miami	99-3681	Svc Rep	6/9/99	July 7	20	0	0	-10	10	0	0	0	10	10	10	0	Issued to replace FL. Laud. 99-3418
Miami	99-3747	Svc Rep	6/10/99	ASAP	40	0	0	-40	0	0	0	0	0	0	0	0	Cancel per Venny, Issue in Jacksonville
Multi	99-3748	Svc Rep	6/10/99	ASAP	20	0	1	-10	11	0	0	0	11	11	11	0	* 1 not filled on 99-3308/Cancel 10 due to freeze
FL. Laud.	99-4295	Svc Rep	7/9/99	ASAP	10	0	0	0	10	0	0	0	10	10	10	0	Replaced 10 cancelled on 99-3681
					368	80	0	-114	301	0	80	2	259	261	311	0	
SERVICE:																	
Miami	98-7351	Svc Rep	10/2/98	1/4/99	30	0	70	-5	95	0	0	5	90	95	95	0	~ 58 orig scheduled for 98/Adj 14-10/30 - 6 short
Multi	98-7352	Svc Rep	10/2/98	1/4/99	10	0	12	0	22	0	0	3	19	22	22	0	Add 10- 10/30-new model, Add 2 fm 98-8351
FL. Laud.	98-7378	Svc Rep	10/2/98	1/4/99	12	10	0	0	22	0	10	0	12	12	22	0	
FL. Laud.	98-8372	Svc Rep	10/30/98	2/1/99	10	3	0	0	13	0	3	0	10	10	13	0	
West Palm Bch	98-8373	Svc Rep	10/30/98	2/1/99	15	20	5	0	40	1	20	6	14	20	41	0	
Multi WEC	98-8374	Svc Rep	10/30/98	2/1/99	5	0	0	0	5	0	0	0	5	5	5	0	
Miami	98-8375	Svc Rep	10/30/98	2/1/99	10	30	2	0	42	3	30	4	8	12	45	0	Increase to accommodate incumbents
Multi WEC	98-9041	Svc Rep	12/2/98	3/1/99	20	0	0	-3	17	0	0	0	17	17	17	0	3 Short
Miami	98-9035	Svc Rep	12/2/98	3/1/99	20	0	0	-20	0	0	0	0	0	0	0	0	Chg'd to Sales 1/19
FL. Laud.	99-0334	Svc Rep	1/7/99	4/5/99	20	0	0	-20	0	0	0	0	0	0	0	0	Chg'd to Sales 1/19
Multi WEC	99-0386	Svc Rep	1/7/99	4/5/99	20	0	0	0	20	0	0	0	20	20	20	0	
Multi	99-0502	Svc Rep	1/15/99	ASAP	0	15	0	0	15	0	15	0	0	0	15	0	
FL. Laud.	99-0996	Svc Rep	2/4/99	5/3/99	20	0	3	-2	21	0	0	2	19	21	21	0	1 short-positive drug screen, 1 no show
Multi WEC	99-1008	Svc Rep	2/4/99	5/3/99	10	0	0	0	10	0	0	0	10	10	10	0	
Multi 1	99-1694	Svc Rep	3/3/99	6/7/99	8	0	0	0	8	0	0	0	8	8	8	0	
Miami	99-1695	Svc Rep	3/3/99	5/3/99	10	0	5	0	15	0	0	0	15	15	15	0	Replaces FL Pierce 98-1068+5 fm 99-1008
Miami	99-2496	Svc Rep	4/2/99	7/6/99	18	0	0	-8	10	0	0	0	10	10	10	0	
Multi		Svc Rep	4/2/99	7/6/99	10	0	0	-10	0	0	0	0	0	0	0	0	Cancel per Venny, Issue in Daytona
Multi WEC	99-2628	Svc Rep	4/2/99	7/6/99	10	0	0	0	10	0	0	0	10	10	10	0	
FL. Laud.	99-3089	Svc Rep	5/4/99	8/2/99	10	0	0	0	10	0	0	1	9	10	10	0	
Multi 1	99-3099	Svc Rep	5/4/99	8/2/99	30	0	0	-3	27	0	0	0	27	27	27	0	Item HR, 1-No Show, 3 not hired, -3 due to freeze
FL. Laud.	99-3320	Svc Rep	5/7/99	6/28/99	15	0	0	-2	13	2	0	0	13	13	15	0	(2 Grievance Settlement) 2 no shows
FL. Laud.	99-3308	Svc Rep	5/7/99	6/28/99	20	0	0	-20	0	0	0	0	0	0	0	0	Issued in FL. Laud. Sales
					333	78	97	-83	415	0	78	21	316	337	421	0	
REPAIR:																	
Miami	98-7353	MA	10/2/98	1/4/99	2	0	0	0	2	0	0	2	0	2	2	0	
Miami	98-8537	CSA	11/12/98	2/12/99	3	0	0	-3	0	0	0	0	0	0	0	0	Reclassifications-close too many Incum
Miami	99-0501	CSA	1/15/99	ASAP	0	15	18	0	33	0	15	9	9	18	33	0	Reclassifications
Miami	99-1004	MA	2/2/99	ASAP	2	0	1	0	3	0	0	3	0	3	3	0	
					7	15	19	-3	38	0	15	14	9	23	38	0	

Exhibit REP-37

Docket No. 991378-TL

HIRING FREEZE PROBLEMS

IMPACT OF HIRING FREEZE ON MULTILINGUAL CENTERS

The following requisitions for Service Representatives in the Multilingual Centers in Florida were impacted due to the recently imposed hiring freeze:

Center	JVN#	Date of Req.	# of Vacancies	# Hired	# Not Filled
Multi Svc.	99-3099	5/4/99	30	16	14
Multi Sales	99-3306	5/7/99	20	9	11
Multi Sales	99-3746	6/10/99	20	0	20

HR has struggled to deliver multilingual candidates on the requested dates, even when requisitioned 90 days in advance. Until just recently sourcing efforts targeted at recruiting bilingual, Spanish/English, Service Representatives had yielded very few qualified candidates and, therefore, in many instances resulted in a delay in filling these requisitions by the requested dates.

On two consecutive weekends, July 31st, and August 7th, HR held testing events in Miami to specifically address the Bilingual Rep vacancies. Extensive advertising in the local newspapers, employee referral programs, BST Briefings, and contacts to several community organizations were made to promote the testing events. Approximately 575 applicants were tested on the General Qualifications Test at these events. Of these, 30 – 40% qualified on the test administered and were eligible to continue to the next step in the testing process. HR was confident that they would finally have the qualified people necessary to fill our requisitions. Unfortunately, with the job market as it is today, these candidates will not be available one or two months from now, and we will have lost the pool we worked so hard to build.

Freezing the hiring of these multilingual vacancies, in addition to the continued high attrition rate, will require a substantial increase in overtime requirements to meet abandonment targets. In the month of July the abandonment rates for Multilingual were approximately 20%. In addition, call volumes in the Multilingual Centers have increased approximately 23% over last year and are forecasted to increase at approximately the same level next year with the implementation of the region-wide Spanish bill.

If we do not address the current need, it will only serve to put us further in the hole for future requirements. At minimum we should consider lifting the freeze for the 25 positions, 11 Sales and 14 Service which were not delivered by HR within the required timeframe of 90 days.

Exhibit REP-38
Docket No. 991378-TL

TRAINING CLASS CANCELATIONS

FLORIDA - LIST OF CLASSES

			# Students Scheduled				Losses				# Students Graduated				
Territory	City	Entity	Temp	Perm	Start Date	Time	End Date	Instructor	Req #	Rm #	Temp	Perm	Temp	Perm	Remarks
North	Jacksonville	Sales	2	10	8/10/98	AM	10/5/98	Henson	98-3629(10P)&	Jax 2	2	10	0	0	Orig 7/8-Crld-no positions in Jax-Released in Ori
North	Ft. Pierce	Service	10	0	8/24/98	AM	10/20/98				10	0	0	0	Cancel - 8/14
South	Miami	Sales	10	0	10/1/98	AM	11/25/98		98-5230	Mia 3	10		0	0	Cancel - 8/14
South	Miami	Sales	10	0	10/1/98	AM	11/25/98		98-5230	Mia 4	10		0	0	Cancel - 8/14
South	Miami	Sales	10	0	10/1/98	PM	11/25/98		98-5230	Mia 2	10		0	0	Cancel - 8/14
South	Miami	Sales	10	0	10/1/98	PM	11/25/98		98-5230	Mia 4	10		0	0	Cancel - 8/14
North	Daytona	Service	9	0	10/1/98	Reg	11/25/98		98-5233		9		0	0	Cancel - 8/14
North	Gainesville	Service	10	0	10/1/98	Reg	11/25/98		98-5232		10		0	0	Cancel - 8/14
North	Fl. Pierce	Service	10	0	10/1/98	PM	11/25/98		98-5235		10		0	0	Cancel - 8/14
North	Panama Cty	Service	5	0	10/1/98	Reg	11/25/98		98-5234		5		0	0	Cancel - 8/14
South	WPB	Service	10	0	10/1/98	AM	11/25/98		98-5236		10		0	0	Cancel - 8/14
South	Fl. Laud.	Service	8	0	10/1/98	Reg	11/25/98		98-5242	FTLD1	8		0	0	Cancel - 8/14
South	Fl. Laud.	Service	8	0	10/1/98	Reg	11/25/98		98-5242	FTLD2	8		0	0	Cancel - 8/14
South	Miami	Service	1	1	10/1/98	AM	11/25/98	Henson	98-5490				0	1	
			121	11							112	10	9	1	
Classes begin in 1988 and graduate in 1999															
South	Miami	Service	10	0	11/9/98	PM	1/6/99	Rogers, S.	98-6490		10		0	0	Cancel - 10/15
South	Miami	Service	10	0	11/9/98	AM	1/6/99	Boyd, S.	98-6490		10		0	0	Cancel - 10/15
South	Miami	Service	10	0	11/23/98	PM	1/20/99	Whiffen, C.	98-6490		10		0	0	Cancel - 10/15
South	Miami	Service	10	0	12/7/98	PM	2/2/99	Ross			10		0	0	Cancel - 10/15
South	Miami	Service	10	0	12/7/98	PM	2/2/99	Hickson			10		0	0	Cancel - 10/15
			50	0							50	0	0	0	