

ORIGINAL

Legal Department

JAMES MEZA III
Attorney

BellSouth Telecommunications, Inc.
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
(305) 347-5561

August 27, 2001

Mrs. Blanca S. Bayó
Director, Division of the Commission Clerk and
Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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COMMISSION
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Re: Docket No. 010740-TP (IDS Complaint)

Dear Ms. Bayó:

Enclosed is BellSouth Telecommunications, Inc.'s Late Filed Deposition Exhibit Nos. 1, 2, and 3 for Petra Pryor, Exhibit Nos. 1, 2, and 3 for Bill Thrasher (all confidential), Exhibit No. 1 for Pattie Knight (confidential) and Exhibit No. 1 for Sandra Harris, which we ask that you file in the captioned docket. The confidential exhibits will be filed under a separate Notice of Intent to Request Confidential Classification today.

A copy of this letter is enclosed. Please mark it to indicate that the original was filed and return the copy to me. Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,

James Meza III

James Meza III (RM)

cc: All Parties of Record
Marshall M. Criser III
R. Douglas Lackey
Nancy B. White

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FPSC-BUREAU OF RECORDS

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CERTIFICATE OF SERVICE
Docket No. 010740-TP

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via Hand Delivery (*), (**)Electronic Mail and (***) Federal Express this 27th day of August, 2001 to the following:

Mary Anne Helton (*)
Staff Counsel
Florida Public Service
Commission
Division of Legal Services
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
Te. No. (850) 413-6096
mhelton@psc.state.fl.us

Suzanne Fannon Summerlin (+) (*) (**)
1311-B Paul Russell Road
Suite 201
Tallahassee, Florida 32301
Tel. No. (850) 656-2288
Fax No. (850) 656-5589
summerlin@nettally.com
Represents IDS

Michael Noshay, President (**) (***)
IDS Long Distance, Inc.
n/k/a IDS Telcom, LLC
1525 N.W. 167th Street
Second Floor
Miami, Florida 33169
Tel. No. (305) 913-4000
Fax No. (305) 913-4039
mnoshay@idstelcom.com



James Meza III (KA)

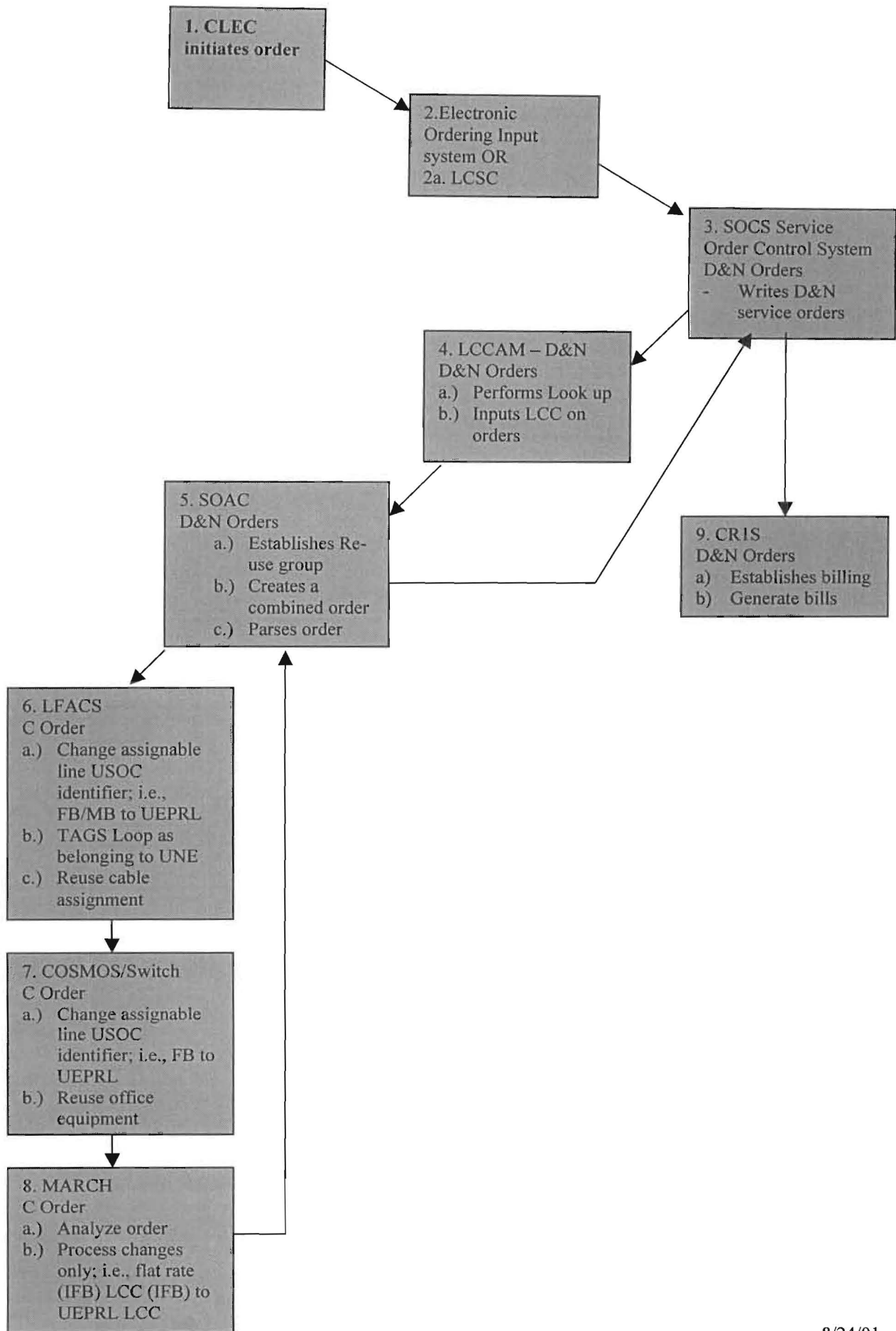
(+) Signed Protective Agreement

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 010740-TP
Sandra Harris Late File Deposition Exhibit
Exhibit No. 1

REQUEST: Please provide a flow chart from service order to completion of the "D" and "N" order and the single "C".

RESPONSE: See attached. Ms. Harris did not create a flow chart for the single "C" process because such a process does not exist for UNE-P conversion orders and the single "C" process for retail to resale conversions is outside her purview of knowledge.

CLEC Ordering Process Flow – UNE-P (Residence and Business)



BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 010740-TP
Petra Pryor Late File Deposition Exhibit
Exhibit No. 1

REQUEST: Provide any analysis that BellSouth performed to determine the number of lines that IDS lost during the bulk conversion.

RESPONSE: In a phone conversation on May 10, 2000, Petra Pryor was told by Ken Ainsworth the following information:

450 orders processed OK
278 orders had Q errors
78 had other LSR errors
492 actual orders, with hunting were affected

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 010740-TP
Petra Pryor Late File Deposition Exhibit
Exhibit No. 2

REQUEST: Please provide a copy of the internal investigation that BellSouth conducted on the IDS winback complaint.

RESPONSE: See attached.

BellSouth's Win Back Review
and Implementation

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

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

The Review revealed: (a) that there was no evidence of systematic wrongdoing; (b) no evidence of improper systems links; (c) that proper policies regarding use of information found in BellSouth's systems and sales and marketing were established; and (d) that these policies were generally understood in the field. The Review showed that isolated instances of disparagement of competitors by one of BellSouth's third party sales representatives and that one instance of the use of Wholesale Information that did not comply with BellSouth policy had occurred.

Following the Review, BellSouth adopted a plan to further address win back activities. The Plan included a modular yet integrated training program entitled the "Competitive Landscape Operating Requirements." The training, conducted, in two phases, will strengthen, enhance the understanding of, and reinforce the policies of the Company. The first phase included all BellSouth and third party personnel that will be engaged in outbound marketing of BellSouth's win back programs after training. The second phase will cover all other BellSouth customer contact personnel and employees that support these groups.

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

- Definition of BellSouth's positive selling approach and the prohibition on negative selling. Training and reinforcement of the requirement that customers who are also competitors must be treated fairly and not be disadvantaged.
- BellSouth's policy to protect all proprietary information belonging to or in the control of BellSouth, including without limitation, information about all of its customers, both carrier and end user.

- Instruction regarding the appropriate uses of individually identifiable Wholesale information and confirmation that Wholesale information cannot be accessed or used for any purpose related to the sale or promotion of any BellSouth product or service.
- The prohibition on BellSouth personnel accessing any BellSouth IT systems unless there is a legitimate and authorized business purpose for such access.
- Training regarding the dissemination and use of competitive information including circumstances under which it is appropriate and inappropriate to disseminate and use such information.
- Information regarding and the communication of the instructions and limitations of use that must accompany the dissemination of competitive information.
- Training regarding the handling and use of confidential information.

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

BellSouth has adopted a process for monitoring and approving continued systems access for all newly hired employees and transferred and promoted employees. The process is designed to ensure that employees have access to only those systems that are required to execute their present job duties and functions. Each receiving manager of a new employee and transferred or promoted employee is required to conduct a review of the systems to which the new, transferred or promoted employee requires access in order to perform in the employee's new position. Access to only those systems will be provided and, if applicable, access to other systems will be removed. Longer term, BellSouth plans to institute an IT systems-based approach to managing and monitoring systems access.

BellSouth currently has a Compliance structure responsible for monitoring and managing BellSouth performance in distinct compliance areas. This structure includes personnel within each organization who have responsibility for proactively reviewing compliance with BellSouth's policies, processes and procedures.

The Customer Markets Compliance structure has been charged with ensuring that all business units and channels have approved Competitive Landscape Operating Requirements plans to address monitoring/observation of employee sales conduct; reinforcement of the Competitive Landscape Mandatory Guidelines and the Dissemination and Use of Competitive Information guidelines; identification of red flags or warning systems for purposes of quickly locating possible infractions or activities outside the parameters of BellSouth policies; and audit/investigation procedures for resolving compliance infractions in an expeditious manner with a uniform discipline approach.

The Compliance structure has engaged the services of BellSouth's Internal Audit group to conduct an "early entry" review of the Competitive Landscape Operating Requirements plans and the implementation effectiveness as well as an audit of systems access controls during the third quarter of 2001. After the "early entry review, the Customer Markets organization will be put on a regular schedule of internal audit review of the activities related to the Competitive Landscape Operating Requirements.

BellSouth Telecommunications, Inc.
Florida Public Service Commission
Docket No. 010740-TP
Petra Pryor Late File Deposition Exhibit
Exhibit No. 3

REQUEST: Please provide the name of the BellSouth employee who was responsible for the internal investigation conducted on the IDS winback complaint.

RESPONSE: By early May 2001, BellSouth had received several complaints from CLECs and, in some instances, reports from BellSouth employees regarding the conduct of BellSouth's customer win back and retention programs. Based on the nature of these complaints and reports, BellSouth's Management anticipated that BellSouth may become involved in litigation involving win back and/or retention programs. Accordingly, BellSouth's Management asked the legal department to: (1) conduct an investigation into the circumstances surrounding each of a number of specific complaints BellSouth had received from CLECs and reports BellSouth has received from its employees; and (2) to direct a general audit of BellSouth's win back and retention programs. Both requests were made in order to provide BellSouth Management with legal advice and to provide BellSouth with assistance in defending any actions that may arise as a result of any specific claims made by CLECs or as a result of any general claims made by any third party regarding BellSouth's win back and retention programs.

In response to Management's request, BellSouth attorneys Bert Hogeman and Mary Jo Peed conducted and directed said activities. Mr. Hogeman and Ms. Peed authored the Win Back Activities Review.