BELLSOUTH TELECOMMUNICATIONS, INC.

REBUTTAL TESTIMONY OF GLORIA CALHOUN

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. [redacted]

AUGUST 30, 1996

Q. Please state your name, address and position with BellSouth Telecommunications, Inc. ("BellSouth").

A. My name is Gloria Calhoun. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. Are you the same Gloria Calhoun who previously filed direct testimony in this proceeding?

A. Yes.

Q. What is the purpose of your testimony?

A. I will show that the testimony of AT&T witnesses Carroll and Shurter does not accurately reflect the realities of BellSouth's extensive efforts to proactively provide effective operational interfaces to facilitate the local market entry of alternative local exchange companies (ALECs). Specifically, I will show that these witnesses make unfounded

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allegations about BellSouth's "unwillingness" to provide electronic interfaces, and make inappropriate comparisons between BellSouth's extensive electronic interfaces and the manual processes AT&T encountered during its Rochester market trial. What is particularly troubling is that these witnesses completely ignore the electronic interfaces BellSouth already has made available, the imminent availability of additional interfaces, and the additional or enhanced interfaces being developed on greatly accelerated timelines for delivery in early 1997. This is despite the fact that, by virtue of the knowledge AT&T has obtained through its participation in the development of many of these interfaces, AT&T knows full well the extent of BellSouth's operational preparation, and also knows the great lengths to which BellSouth has gone to accommodate AT&T's demands.

Q. Mr. Shurter's testimony states on page three that BellSouth has not agreed to provide AT&T with real-time interactive electronic interfaces to BellSouth's computerized operations support systems. Is this true?

A. No. BellSouth already has made available, or is actively developing -- on aggressive timelines -- numerous electronic operational interfaces, many of which are real-time and interactive, specifically for use by alternative local exchange companies (ALECs). These interfaces support the ordering and provisioning, pre-ordering, maintenance and repair, customer usage data transfer, and local account maintenance activities of ALECs. As explained in detail on pages 23-48 of my direct

testimony, these interfaces include the following:

- Electronic interface for ordering interconnection trunking and most unbundled elements -- available now;
- Electronic interface via electronic data interchange (EDI), being jointly developed with AT&T for ordering resold services and unbundled elements such as listings and ports -- scheduled for availability in September, 1996, for residence lines, business lines, PBX trunks and vertical services, with all other services scheduled for December, 1996;
- Electronic interface for pre-ordering information on serving central office and street address validation -- available now, with real-time, interactive enhancements scheduled for April, 1997;
- Electronic access to pre-ordering information on product and service availability by serving central office -- available now, with real-time, interactive, enhancements scheduled for April, 1997;
- Electronic transfer of telephone numbers reserved for ALECs available October, 1996, with real-time, interactive electronic access to telephone numbers scheduled for April, 1997;
- Electronic interface for real-time, interactive due date assignment scheduled for April, 1997;

- Electronic interface for maintenance and repair trouble reports -- available now, with enhanced interactive testing capability scheduled for April, 1997; and
- Electronic interface for customer usage data transfer -- available now, with an AT&T-requested modification scheduled for September, 1996.

Mr. Shurter's assertion that BellSouth has not agreed to provide AT&T with electronic interfaces is simply not true. BellSouth has expended thousands of work hours and millions of dollars to provide the very interfaces Mr. Shurter claims BellSouth has refused to provide. In fact, in some cases, BellSouth either is jointly developing those interfaces with AT&T, or has modified its initial designs specifically to accommodate AT&T's requests.

Q. Mr. Carroll's testimony states on page 21 that BellSouth has been unwilling to commit to implement electronic interfaces to AT&T by a date certain. Is this true?

A. No. As discussed above, BellSouth has provided schedules for the additional interfaces still under development. Furthermore, by the time BellSouth began negotiations with AT&T, BellSouth already had the electronic trouble reporting interface available, and completed its work on the customer usage data transfer interface shortly thereafter. While at the outset of negotiations, BellSouth was unable to provide AT&T

with a date certain for every additional interface under evaluation, this was the result of the unresolved issues addressed on pages 18-46 of my direct testimony, rather than any inherent "unwillingness" on BellSouth's part. The unresolved issues at that time included the lack of industry standards for an ordering interface, the lack of a volume and timing forecast from AT&T, the lack of agreement by AT&T on the cost recovery issue addressed by Mr. Scheye, and most importantly, the fact that firm commitments could only be made once the analysis and design phase of development was complete.

Provision of the electronic interfaces requested by AT&T is a costly and time-consuming effort, as detailed in the preliminary estimates accompanying my direct testimony as Exhibit GC-1. The timelines to provide those interfaces are driven by the complexities of this massive undertaking. It would not have been prudent for BellSouth to agree contractually to firm dates until the analysis and design phase of the electronic interfaces was complete, and until the other issues had been resolved.

As soon as the industry adopted the EDI interface as the standard for resale ordering, and once AT&T finally provided preliminary forecast information, BellSouth proceeded with the analysis and design phase for the EDI ordering interface. The information obtained from the analysis and design allowed BellSouth to provide a realistic schedule based on the actual work to be done for this and other interfaces; that

schedule was summarized on the timeline filed with my direct testimony as Exhibit GC-1.

While BellSouth is committed and stands ready to make the EDI ordering interface available beginning in September, 1996, it is important to realize that BellSouth cannot unilaterally place this interface in production. The EDI ordering interface requires a joint development and testing effort with the companies using the interface. While BellSouth and AT&T have been operating on a schedule that would make the first phase of the interface available in September, 1996, on August 29 AT&T advised BellSouth that AT&T was considering renegotiating the previously agreed upon testing schedule for the EDI interface. BellSouth, however, remains ready, willing and able to continue with testing and full implementation of that interface as originally scheduled.

Only detailed analysis and design work can provide a firm picture of the ultimate cost of the various interfaces. In fact, as that work has progressed, it has become clear that the initial cost estimates were understated, perhaps by as much as half. These cost estimates will continue to change until the final analysis, design, and implementation work is complete. Furthermore, as addressed by Mr. Scheye, the cost recovery issue is still outstanding.

Q On page 22 of his direct testimony, Mr. Carroll makes reference to a

Georgia Public Service Commission ("Georgia PSC" or "Georgia Commission") order in Docket No. 6352-U, dated June 12, 1996, which in part addressed operational interfaces. Mr. Carroll states his understanding that "BellSouth has appealed this order which will delay the time when AT&T can expect to have these interfaces available for AT&T's offer of local services," and further, that "this significantly delays [AT&T's] ability to compete effectively with BellSouth for Florida's consumers. . ." Do you agree with Mr. Carroll's characterization?

A. Absolutely not. BellSouth had made substantial progress in providing electronic interfaces even prior to the Georgia Commission's June 12 order. Furthermore, on July 11, 1996, the Georgia Commission modified its June 12 order with regard to the time frames for implementing operational interfaces. BellSouth therefore did not include the timing of electronic interfaces in its appeal of that order, nor, for that matter, did BellSouth request a stay pending the outcome of its appeal. As AT&T well knows by virtue of its active participation in the development process, BellSouth has proceeded on an aggressive development schedule to provide additional interfaces. Furthermore, in compliance with a subsequent Georgia order, on August 15, 1996 BellSouth filed with the Georgia Commission the first of its required monthly reports detailing its ongoing and aggressive development effort. Mr. Carroll's suggestion that appealing other non-operational aspects of the Georgia Commission's order will delay the remaining interfaces is simply not true.

Ordering and Provisioning

Q. Mr. Carroll suggests on page 21 of his direct testimony that AT&T must rely upon FAX transmission of its ordering data to BellSouth. Is this true?

A. No. Mr. Carroll's allusion to "FAX transmission" is completely inappropriate in light of the imminent availability of the electronic ordering interface. AT&T, in fact, is co-developing the EDI ordering interface with BellSouth, on a timeline that includes action items for both companies. AT&T also is quite familiar with the existing mechanized ordering processes for access services.

The reality is, for local interconnection trunking and most unbundled elements, AT&T and other ALECs can use the existing electronic interface that supports the ASR process, just as the interexchange carriers do today. Furthermore, for resold services and certain unbundled elements such as listings and interim number portability, BellSouth, at AT&T's request, is developing an industry-sanctioned EDI interface. That interface, which is being jointly developed with AT&T, provides electronic order communications comparable to those for access services. The first phase of that interface will support residential service, business service, PBX trunk service, and vertical services, and, if the current testing and implementation schedule is maintained, will be available in September, 1996. The second phase of

the EDI ordering interface, which will support ordering for complex services as well, is currently scheduled for December, 1996.

Q. Mr. Carroll suggests on page 21 of his direct testimony that if BellSouth's ordering interface is anything other than "real-time communication", AT&T will be at a severe competitive disadvantage. What is BellSouth's view?

A. As described on page 26 of my direct testimony, AT&T did not define "real-time". Even if it had, however, AT&T offers no support for its contention that the ordering interface must be real-time. In fact, in its purported rationale, AT&T does not describe an order communications scenario at all. Instead, AT&T merely uses the example of telephone number assignment, which Mr. Shurter, on page eight of his direct testimony, defines as pre-ordering information, and for which BellSouth is actively developing a real-time interface scheduled for delivery in April 1997.

An electronic interface is not necessarily real-time, nor need it be. For example, daily billing data will be sent in batch files, meaning that the data are collected for transmission at pre-determined times, which is perfectly acceptable for such an application. The existing mechanized process that supports access ordering also operates in a batch mode.

Q. Are BellSouth's ordering arrangements consistent with Mr. Shurter's

definition of ordering and provisioning?

A. Yes. The key point here is that the same service ordering process will drive the same provisioning processes and update the same databases in the same timeframes for both ALECs' customers and BellSouth's end user customers. Mr. Shurter, on pages eight and nine of his direct testimony, describes ordering and provisioning as the means by which a carrier initiates an order and establishes service, including such things as installation, updating of directory listings, updating the 911 data base, and monitoring the status of service orders. These activities are driven by BellSouth's normal service order flow, which will be the same for ALECs' end user orders as for BellSouth's end user customer orders. For resale this process begins with electronic receipt of the local service request via the EDI ordering interface, or at the ALEC's discretion, via FAX. The EDI interface also will provide to the ALEC service order status information in the form of a firm order confirmation and completion information. In addition, the electronic EDI ordering interface will support change order activity for local account maintenance. A separate interface is not required.

Pre-Ordering Information

Q. On page 21 of his testimony, Mr. Carroll states that under BST's plan, AT&T must wait to give the customer its new phone number and the date of installation until BellSouth responds to a fax message from

AT&T. Is that true?

A. No. First, the so-called "fax message" to which Mr. Carroll alludes will be the local service request, which AT&T actually will transmit to BellSouth electronically, via the EDI ordering interface, beginning in September, 1996. In addition, BellSouth's current pre-ordering arrangements have made it possible for AT&T to assign most telephone numbers from a pool of numbers, reserved for and provided in advance to, AT&T and any other requesting ALEC. As described on pages 37 through 39 of my direct testimony, this information is now available via computer diskette, will be enhanced in October of 1996 to include the capability for mechanized file transfer, and will be further enhanced in April, 1997 with real-time access to telephone number reservation information. Even today, AT&T can load the reserved telephone number information into its own computer system, and thus can interactively assign telephone numbers from this pool, with its customer on the line, without consulting BellSouth by fax, telephone or any other means.

BellSouth also has provided interim access to installation intervals through due date guidelines developed by BellSouth. This information can be used by AT&T to quote a due date with its customer on-line, without consulting BellSouth.

Furthermore, as indicated by the situation Mr. Carroll describes on

page 21 of his direct testimony, pre-ordering information is most relevant to "new" customers, i.e., those without existing telephone service. Pre-ordering information is not required for any existing customers who already have telephone numbers and installed service, and who simply choose to switch local service providers without otherwise changing their service. For these customers, BellSouth will simply change its billing records to transfer service to the ALEC. BellSouth will process these service requests as expeditiously as possible, and in all instances, the change will be effective on the date requested by the ALEC, either via the due date of the order, or the utilization of an effective billing date.

Q. For new service or changes to existing service, is BellSouth working aggressively to provide a real-time, interactive pre-ordering interface?

A. Yes. While the interim pre-ordering interface includes a combination of electronic and other methods, BellSouth is aggressively developing an interactive pre-ordering interface for delivery by April, 1997. That interface will provide interactive access to the following information:

- Serving central office information
- Street address validation
- Whether facilities are connected through to that location
- Product and service availability and serving interexchange carriers for each central office
- Telephone number assignment

- Due date availability

These capabilities were described in detail in on pages 35-42 of my direct testimony, and are summarized on Exhibit GC-4 filed with that testimony.

Q. Mr. Shurter states, on page eight of his direct testimony, that interactive access would enable AT&T personnel to assign a "vanity" telephone number to a customer or schedule the earliest available installation appointment with the customer on-line instead of through multiple telephone calls. Has BellSouth addressed these scenarios?

A. Yes. As discussed above and on pages 35-42 of my direct testimony, BellSouth has gone to great lengths to design and is now in the process of developing a real-time interactive pre-ordering system that will allow assignment of a "vanity" number and a due date with the customer on-line. This interface will be available in April of 1997.

Q. Is BellSouth's pre-ordering interface consistent with Mr. Shurter's definition of pre-ordering information?

A. Yes, with only one difference. In describing pre-ordering systems on page eight of his direct testimony, Mr. Shurter indicates his desire that pre-ordering information include current customer service records. BellSouth does not agree that pre-ordering information includes existing customer service records. BellSouth will provide information

that allows an ALEC to determine the availability of features and services, validate a street address for service order purposes, assign a telephone number when necessary, and advise the customer of a due date. However, BellSouth believes it is not appropriate to provide an ALEC with access to the existing customer service record of BellSouth's customers, or of any other ALEC's customers, during the pre-sale phase of order negotiations.

Q. What are BellSouth's reasons for not providing this information to an ALEC prior to their issuing an order to switch the customer?

A. The current customer service record contains proprietary information on BellSouth's or other ALECs' relationships with end user customers. AT&T is free to initiate its marketing effort by simply asking those customers which services they wish to receive, or which services they already purchase. However, just as BellSouth has taken steps to restrict the ALECs' records from BellSouth's end user marketing centers, it is appropriate to protect the customer records of one company from other companies. Providing AT&T or any other ALEC with direct access to the current service records of any customer the ALEC chooses to target would not be appropriate.

It would not be reasonable to require BellSouth to provide such information on a pre-sale basis for either its customers or any other ALEC's customers. Providing electronic access to this information

would allow AT&T or any ALEC to browse BellSouth's databases for marketing purposes.

Q. Does AT&T need this information in order to compete effectively for existing customers of BellSouth or another ALEC?

A. No. It is highly unlikely that customers will expect a new competitor to already have access to all the details of their existing service. It is more likely, in fact, that customers would consider such access an invasion of their privacy. By way of analogy, if I were contacted by a lender offering to refinance my home mortgage, I would not expect that lender to already know the details of my existing loan, such as my payoff amount, current interest rate and amortization schedule, prior to -- or during -- the initial contact. I would expect to either provide that information myself, or to have the new lender get my permission to obtain the information from my current mortgage company.

The same situation exists with competitive telephone services. BellSouth's pre-ordering interface will provide information on what services are available to a customer. It is up to AT&T or any ALEC to determine which services and features are desired by the customer and convince them to switch local exchange companies. In addition, BellSouth will provide via its EDI ordering interface a firm order confirmation and completion notification. The ALEC can utilize this data to build its own customer database for its new customers.

Q. Will BellSouth ever provide the customer service record data to AT&T?

A. Yes, under some circumstances. If the customer wants AT&T or any other ALEC to obtain his/her existing customer service records to assist the customer in the decision to switch local service providers, then the end user can authorize that release. Otherwise, BellSouth will provide the customer's records only after the customer has actually switched to the ALEC.

Maintenance and Repair

Q. Is BellSouth's electronic interface for trouble reporting consistent with Mr. Shurter's definition of the required interface for these functions?

A. Yes. On page nine of his direct testimony, Mr. Shurter defines maintenance and repair as the means by which a carrier arranges for responses to service requests from customers. BellSouth has available today a fully electronic, real-time, interactive trouble reporting interface for use by ALECs, which was described in detail on pages 42-45 of my direct testimony. This interface allows the ALEC to enter a trouble report, obtain the same appointment interval as if the ALEC's customer were a BellSouth end user customer, subsequently add information to the report itself, check for trouble completion, cancel the trouble report if necessary and perform other trouble administration functions. In response to troubles reported via the gateway, BellSouth will test and

initiate repair to the service.

As further described in my direct testimony, this interface was implemented by BellSouth in 1995 for access services, at AT&T's request. This interface is based on national standards published by the American National Standards Institute (ANSI) and was implemented in accordance with industry guidelines.

In addition, at AT&T's request, BellSouth has under development an enhancement that will provide ALECs with access to the same interactive testing capabilities BellSouth uses to screen POTS trouble reports. This enhancement is scheduled for completion in March of 1997.

Customer Usage Data Transfer

Q. Is the customer usage data interface currently available from BellSouth consistent with the interface described by Mr. Shurter as necessary for this purpose?

A. Yes. Mr. Shurter, on page nine of his direct testimony, defines customer usage data transfer as the means by which the customer's usage data are collected and transmitted by a carrier for billing purposes. BellSouth already has the capability to provide electronically billable customer usage detail to ALECs. This option provides detail for

billable usage, such as directory assistance or toll calls associated with a resold line or a ported telephone number. The usage option allows the ALEC to bill end users at their discretion, rather than on BellSouth's billing cycles. This option also allows an ALEC to establish toll limits, detect fraudulent calling, or analyze its customer usage patterns for other appropriate purposes.

As described in my direct testimony, BellSouth made this interface available on March 31, 1996, in anticipation of ALECs' requests for this option. In addition, BellSouth now has modified its original design specifically to accommodate AT&T; that modification will be completed in September of 1996.

Q. On pages 10-11 of Mr. Shurter's direct testimony, AT&T cites its dissatisfaction with the arrangements it encountered in its Rochester Telephone Company ("Rochester") resale trial as an example of the effect on competition when AT&T is denied electronic interfaces with operations support systems. How do BellSouth's arrangements compare with those employed by Rochester?

A. First, the comparison is completely inappropriate because, unlike Rochester, BellSouth has many mechanized processes available to support resellers, and is working aggressively to provide others. However, given that BellSouth must accommodate all ALECs, not just those with the vast resources of AT&T, BellSouth also offers manual

methods, described on pages 17-18 of my direct testimony, that make the process as easy as possible for resellers. As described by Mr. Shurter, in Rochester, AT&T was required to complete and fax a multi-page form for every individual customer who wanted to switch service. BellSouth's arrangements, however, are designed to be transparent to the end user and easy for the reseller. For example, to switch an existing customer, BellSouth's form requires only three items of information: the customer's name, telephone number, and a simple checkmark on the order form to indicate that all services should be switched "as is". Also, the resale order forms are available on computer diskette, which enables resellers with personal computers (PCs) to fax the forms directly from their PCs to the LCSC.

Finally, while Mr. Shurter acknowledges on page 11 of his direct testimony that BellSouth's PC to FAX process is "somewhat better" than the manual FAX process put in place by Rochester, his attempt to depict a scenario filled with "bottlenecks" and "inaccuracies" simply does not reflect reality. Mr. Shurter neglects to mention the fact that BellSouth is jointly developing an industry-sanctioned electronic EDI ordering interface requested by AT&T.

Q. On page 11 of his direct testimony, Mr. Shurter requests that the Commission order BellSouth to provide electronic interfaces as soon as possible. Is BellSouth's current effort consistent with this request?

A. Yes. As detailed throughout my testimony, BellSouth has many electronic interfaces already available, and will be providing others as quickly as the complexities of the development effort will permit.

Q. As a result of the most recent issue identification meeting, held on August 20, 1996, have any issues been rewritten that now require additional testimony to be provided?

A. Yes. The question concerning whether BellSouth should adhere to industry billing standards when rendering bills to ALECs has been revised to read, "What billing system and what format should be used to render bills to AT&T for services and elements purchased from BellSouth?" BellSouth believes that AT&T's objective is to force BellSouth to render bills for resold services via the Carrier Access Billing System (CABS) in the Standard AT&T Billing Requirements (SABR) format. This is completely inappropriate.

As described on pages 48-49 of my direct testimony, the CABS billing system is designed to render bills for access services. CABS bills do not include the line level detail associated with resold exchange lines. The billing system that supports those services is the Customer Record Information System (CRIS). BellSouth believes that AT&T is expressing a preference for CABS billing based on its familiarity with CABS billing in the interexchange world. AT&T further prefers CABS because AT&T's SABR requirements, which facilitate AT&T's billing

control practices, are CABS-based requirements.

However, the CRIS billing system already contains the necessary infrastructure to provide the line level detail associated with resold services, and also is subject to BellSouth's internal quality controls. The CABS system is not designed for this task; without extensive and potentially costly modifications, it would not even be capable of accomplishing the desired outcome.

Q. Please summarize your testimony.

A. Mr. Shurter's assertion that BellSouth has not agreed to provide AT&T with electronic interfaces is simply not true. BellSouth has expended thousands of work hours and millions of dollars to provide the very interfaces Mr. Shurter claims BellSouth has not agreed to provide. Mr. Carroll misrepresents BellSouth's appeal of the Georgia PSC's resale order. Because of BellSouth's substantial progress in providing extensive electronic interfaces in advance of that order, BellSouth neither appealed the timing of electronic interfaces, nor sought a stay of that order. Therefore, Mr. Carroll's contention that BellSouth's appeal would delay the availability of electronic interfaces, is just not true. BellSouth, meanwhile, already has made extensive interfaces available, and has others imminent, while still others are being developed on a schedule as aggressive as the complexity of the development effort will permit. BellSouth's comprehensive efforts to provide these interfaces demonstrate the strength of BellSouth's

commitment to accommodating the local market entry of AT&T as well as all other ALECs.

Q. Does this conclude your testimony?

A. Yes.