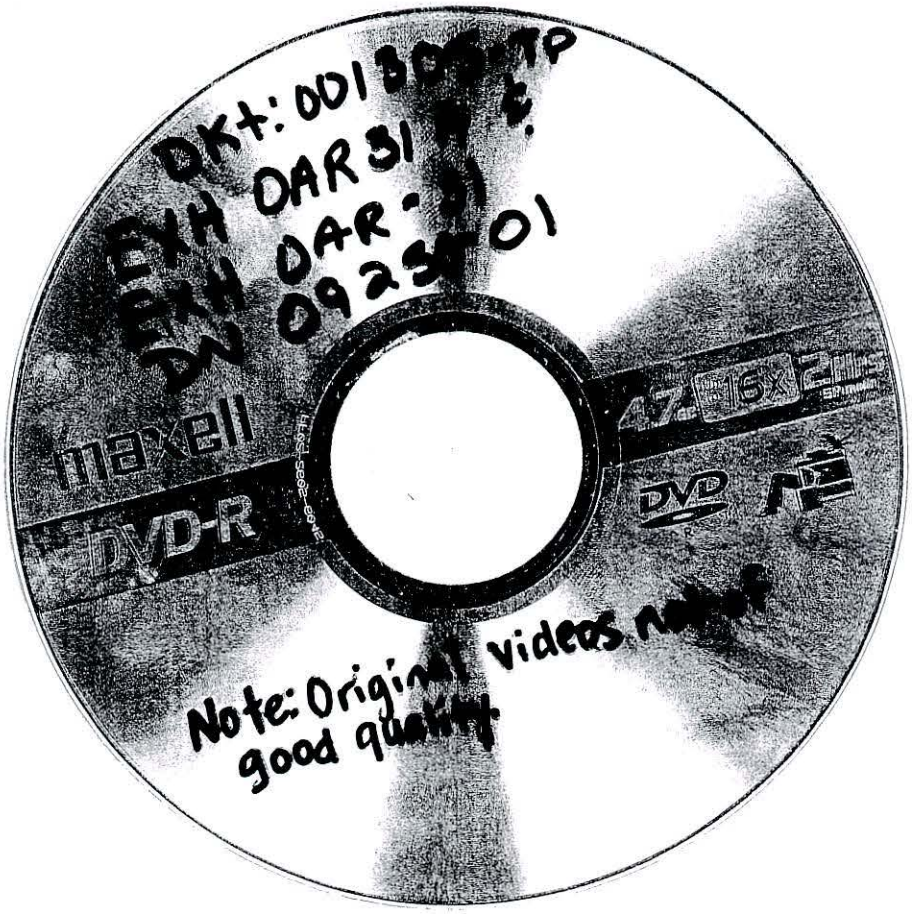
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DOCKET 001305-TP

DN 09250-01
Supra (Chaiken) – direct testimony of Olukayode A. Ramos with Exhibits OAR-1, 2 and 8-46 (31 includes a videotape); also contains redacted version of confidential DN 09249-01.

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NUMBER 001305-TP

DIRECT TESTIMONY OF OLUKAYODE A. RAMOS

ON BEHALF OF

SUPRA TELECOMMUNICATIONS & INFORMATION SYSTEMS, INC.

JULY 27, 2001

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is Olukayode A. Ramos. My business address is 2620 SW 27th Avenue, Miami, Florida 33133.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT POSITION?

A. I am Founder, Chairman and CEO of Supra Telecommunications & Information Systems, Inc. ("Supra" or the "Corporation").

Q. WHAT ARE YOUR PRESENT RESPONSIBLITIES?

A. As CEO of Supra, I am responsible for all aspects of Supra's operations and financial performance. I am responsible for setting the strategic direction for Supra, including which expansion territories are priorities, what new and innovative products we should be striving to offer our customers, and how best to maximize Supra's resources. Managerial staffs under my direct supervision provide me with operational results, on a daily basis, of BellSouth's performance on all aspects of the Supra/BellSouth Interconnection Agreement ("Agreement"). In an effort to stay tuned to what Supra's customers are experiencing and to keep abreast of Order Processing and other key customer satisfaction issues, I often times work as a Customer Service

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Representative ("CSR") at one of Supra's operational centers. It gives me great insight to be able to hear directly what our existing customers as well as potential customers have to say.

Q. PLEASE PROVIDE INFORMATION ON YOUR BACKGROUND AND EXPERIENCE.

A. I received a Bachelor of Science Degree, with Honors, in Accounting from the University of Lagos in 1981. In 1982, I became a Certified Public Accountant and a member of the Association of Chartered Certified Accountants (ACCA) in England and Wales. I attended the London School of Accountancy for post-graduate studies. I have attended extensive management training programs with Motorola, Lucent, Nortel, Telcordia (formally known as Bellcore), Alcatel, BellSouth, AT&T, Verizon (formally known as Bell Atlantic), Dialogic, Nokia, Xerox, and others.

I incorporated the Supra group of companies in 1983 while working for the Nigerian government at the Nigerian Sugar Company, Limited. The Nigerian Sugar Company employed over 30,000 employees. I served as the Chief Financial Officer of the Nigerian Sugar Company from 1982 to 1991, after which I resigned to pursue a career in the private sector. While working for the Nigerian Sugar Company, I obtained a great deal of experience working with the Nigerian government and multi-national corporations. I represented the Nigerian government on the boards of directors of the Nigerian National Petroleum Corporation (1986-1987), the National Insurance Corporation of Nigeria (1988-1990), and the Nigerian Telecommunications Corporation (1990-1993). I authored a report that established the basis of a national policy on sugar by the Nigerian government.

In 1994, I incorporated Supra in the State of Florida for the manufacture and sale of telecommunications equipment. Upon certification by the Florida Public Service Commission as an alternative local exchange carrier (ALEC) in April 1997, Supra embarked on the provision of alternative local exchange services.

Q. HAVE YOU TESTIFIED PREVIOUSLY ON TELECOMMUNICATIONS ISSUES BEFORE REGULATORY BODIES, FEDERAL JUDGES AND COMMERCIAL ARBITRATION PANELS? IF SO, BRIEFLY DESCRIBE THE PURPOSE OF YOUR TESTIMONIES.

A. Yes. I have testified on telecommunications issues before the Federal Communications Commission ("FCC"), state regulatory commissions of Florida, California, Georgia, Oklahoma, Illinois, Vermont, Connecticut, Texas and Nevada as well as Commercial Arbitration Panels regarding (i) implementation of the Telecommunications Act of 1996 (the "Act"); (ii) resolution of various interconnection issues between Supra and ILECs; (iii) differences between BellSouth's (a) Retail Department's Operation Support Systems ("OSS") and (b) CLECs' OSS; (iv) BellSouth's bad faith negotiation tactics (v) BellSouth/BIPCO trademark infringement lawsuit against Supra; (vi) "merger conditions" on the acquisition of Ameritech and GTE by Southwestern Bell Telephone Company ("SWBT") and Verizon (formerly known as Bell Atlantic), respectively; and (vii) OSS, Collocation, UNEs as well as other market entry barriers created by ILECs with particular emphasis on BellSouth. I have also made presentations at industry forums. I testified in Docket Numbers 980119 and 980800 before this Commission.

Q. WHAT IS YOUR UNDERSTANDING OF THE SIGNIFICANCE OF THIS PROCEEDING AS IT RELATES TO THE LOCAL TELEPHONE INDUSTRY?

A. This is another historic proceeding in the history of the telecommunications industry. In 1996, the Congress of the United States took steps to remove the statutory monopoly on local telephone service by passing the Act. The preamble to the Act states that this is:

> An Act To promote competition and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies. [1]

The Act contains detailed provisions governing the relationship between ILECs and their new competition. It gives the FCC and state commissions significant responsibilities for implementing the Act. On August 8, 1996, the FCC released its decision discussing and adopting significant regulations to implement the local competition provisions of the Act. Implementation of the Local Competition Provisions of the Telecommunications Act of 1996. CC Docket No. 96-98, First Report and Order (adopted August 1, 1996) (FCC Competition Order). Thereafter, the FCC has released additional rules in its efforts to enforce those established in the First Report and Order and to curb further anti-competitive practices of the ILECs. On November 5, 1999 the FCC released its decision in response to the Supreme Court's January 1999 decision that directed the FCC to reevaluate the unbundling obligations of Section 251 of the Act. Implementation of the Local Competition Provisions of the Telecommunications Act of 1996. CC Docket No. 96-98, Third Report and Order (adopted November 5, 1999) (UNE Remand Order).

According to the FCC at ¶2 of its UNE Remand Order:

> In passing the 1996 Act, Congress overhauled many aspects of federal regulation of telecommunications services by establishing a pro-competitive and deregulatory framework designed to benefit **"all Americans by opening all**

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[1] Preamble to the TA. Emphasis placed.

telecommunications markets to competition."[2] Two of the fundamental goals of the 1996 Act are to open the local exchange and exchange access markets to competition and to promote innovation and investment by all participants in the telecommunications marketplace.[3] Congress sought to foster this competition by fundamentally changing the conditions and incentives for market entry and by attempting to open any remaining local service bottlenecks.[4] As a result, the provisions of the 1996 Act set the stage for a new competitive paradigm in which carriers in previously segmented markets are able to compete in a dynamic and integrated telecommunications market that promises lower prices and more innovative services to consumers. [5]

The goal of both Florida and Federal laws are the same - to provide consumers with new choices, lower prices, and advanced technologies that fair competition will bring to the local telecommunications market. At the same time, they both recognize that the transition from monopoly to competition will not occur overnight, that the former monopolists will not willingly embrace the new competitive paradigm, and that dispute resolution is necessary to ensure that competition is given a fair chance to develop.

Supra brings a unique perspective to this emerging competitive market because Supra's business is focused on the consumer market. Supra understands that competition does not happen overnight. The development of competition requires oversight and intervention by regulators, courts and arbitrators, particularly when new entrants must rely upon entrenched monopolists possessing market dominance in order to obtain the facilities and services that are vital to their entry into the marketplace.

This proceeding, and others like it, will establish the terms and conditions under which competition will fully develop in the consumer market.

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[2] Joint Statement of Managers, S. Conf. Rep. No. 104-230, 104th Cong., 2d Sess., at 1 (1996) (*Joint Explanatory Statement*).

[3] *Joint Explanatory Statement* at 1.

[4] *See BellSouth Corp. v. FCC*, 144 F.3d 58, 61 (D.C. Cir. 1998) ("The 1996 Act rescinded the [Modified Final Judgment] . . . and changed the entire telecommunications landscape.").

[5] ¶2 UNE Remand Order released on November 5, 1999. Emphasis placed.

Q. TODAY, FIVE YEARS AFTER THE PASSAGE OF THE ACT, IS SUPRA ABLE TO COMPETE IN THE LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES' MARKET? IF NO, WHY NOT?

A. No. Based on Supra's lower prices, Supra is able to attract customers that are prepared to wait 1-6 weeks to get their services provisioned and/or at times, get nothing at all. However, Supra is unable to truly compete, as it cannot offer a full range of services to customers, and cannot provide the services it can offer as timely as BellSouth does. The reason for Supra's inability to compete is because of BellSouth's willful and intentional breaches of the parties' current Interconnection Agreement ("Current Agreement") and violations of the Act as well as relevant federal and state rules and orders. BellSouth has chosen non-compliance, non-cooperation and litigation tactics over compliance with the parties' agreement and all applicable federal and state laws. **BellSouth has consistently maintained that the Current Agreement is not clear in many pertinent aspects, the resulting effect of which has been arbitration.** This problem is not unique to Supra. Aside from challenges to the Current Agreement, BellSouth has challenged and continues to challenge virtually every important, market-opening order promulgated by the FCC and this Commission as well as other State Commissions. For example, in the appeal of the FCC's landmark *Local Competition Order*[6], BellSouth asked the Eighth Circuit to vacate the **entire** order. (Brief for Petitioner Regional Bell Companies and GTE, No. 96-3221, at 80-81 (8th Cir. Filed Nov. 18, 1996)). Even after the United States Supreme Court upheld the jurisdiction of the FCC to issue UNE pricing and other pro-competitive rules, BellSouth continued to press the 8th Circuit to vacate those rules. (Brief for Petitioners Regional Bell Companies and

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[6] *In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, First Report and Order, CC Docket No. 96-98, FCC No. 96-325 (Rel. August 8, 1996).

GTE, No. 96-3321 (and consolidated cases)(8th Cir. filed July 16, 1999)). Even now, nearly five years and several steps later in the appellate process, BellSouth still refuses to comply with the Current Agreement as well as numerous federal and state rules.

Q. WHAT HAS BEEN THE EFFECT OF BELLSOUTH'S LITIGATION AND NON-COMPLIANCE TACTICS ON COMPETITIVE PROVIDERS AND CONSUMERS?

A. BellSouth's tactics have made it nearly impossible for CLECs to successfully compete with BellSouth and thus many CLECs have either filed for bankruptcy or withdrawn from the market. See announcements of Covad, Bluestar, Telscape, Teligent, Winstar, Rhythms, ICG, etc. See report titled Annus horribilis? However you ay it, CLECs have had a bad year Published by CLEC.com., attached as **Supra Exhibit OAR 43**. These companies invested billions of dollars on mostly virtual collocation in BellSouth central offices and "CLEC Hotels" as well as on excessive interconnection charges. Between October 1997 and June 1998, BellSouth's sales organization tried to convince Supra to use virtual collocation instead of physical collocation. Marc Cathey, Mike Wilburn, Theresa Gentry and company (of BellSouth's Sales Interconnection Department) explained to Supra at meetings that virtual collocation would afford Supra speed to market. An ALEC that is virtually collocated must purchase BellSouth's Sonet Ring service for the interconnection of its network (i.e. the virtual collocation space and where the switch is physically located in the CLEC Hotel.) The Sonet Ring service costs at least $50,000 per month and by adding the cost of collocating a switch outside BellSouth's central office and virtual collocation arrangement as well as other operational costs, the cost jumps to about $80,000 per month. Whereas, the monthly recurring cost of physically collocating a switch in BellSouth's central office is less than $2,000. Yet at the same time, BellSouth continues to reap tremendous profits from its

local telephone companies and CLECs. BellSouth has effectively used these tactics to forestall and injure competitors in the local telephone market. As a result, if local telephone markets are not opened to competition soon, it may be too late for competition to ever develop. This will result in the continued monopolization of traditional local telephone services as well as the continued anti-competitive rates for same. As a result, a majority of Florida's consumers have not yet obtained the benefits of having the choices for local telephone services and competitive rates that they should have had in the five-plus years since the passage of the Act.

The relevant evidence confirms that BellSouth's anti-competitive tactics have succeeded in forestalling local competition. The most recent market share data from the FCC shows that, five years after the Act, CLECs serve only 6.7 percent of local telephone lines after having invested over $30 Billion in new competitive networks. See attached **Supra Exhibit OAR 1** Trends in Telephone Service released by the FCC on December 21, 2000. In Florida, competition lags behind the national average as CLECs have only 6.1 percent market share in the state. *Competition in Telecommunications Markets in Florida*, FPSC Report at 7 (December 2000).

In short, "[b]y any measure, competition in Florida's local phone market is virtually absent." *Florida Consumers Need Real Local Phone Competition, Fair Access to Monopoly Wires is the Key,* Mark Cooper, Director of Research, Consumer Federation of America, at 1 (Jan. 2001). In fact, earlier this year, the Consumer Federation of America concluded that the "local monopolies have managed to maintain their stranglehold on Florida's local telephone market by continually resisting any attempts to open the market up for new entrants." *Florida Consumers Losing Out Over Failure of*

Local Phone Competition, Press Release (Jan. 23, 2001). Although BellSouth publicly states its intent "to help CLECs" achieve competition, so as to allow BellSouth access into the long-distance market, the statistics and BellSouth's non-compliance, non-cooperation and litigation tactics tell a different story.

Q. IS BELLSOUTH REAPING TREMENDOUS BENEFITS FROM ITS WILLFUL AND INTENTIONAL BREACHES OF THE CURRENT AGREEMENT AS WELL AS VIOLATIONS OF THE ACT AND APPLICABLE FEDERAL AND STATE RULES?

A. Yes. BellSouth's tactics and the resulting lack of competition has a tremendous financial benefit for BellSouth. See attached **Supra Exhibit OAR 2,** BellSouth 2000 EPS Highlights Growth Areas. In that release, BellSouth reported earnings per share increase from 55 cents in the fourth quarter of 1999 to 59 cents in the fourth quarter of 2000. Additionally, BellSouth reported earnings per share in 2000 of $2.23, compared with $1.80 in 1999, and BellSouth continues to forecast earnings per share growth of 7-9 percent. BellSouth also grew its local service revenues in 2000 on a GAAP basis of 3.4 percent. While CLECs struggle to gain each customer, BellSouth increased its total equivalent access lines in service to 25.3 percent from 1999 to 2000. Its annual growth rate in access line equivalents since 1995 has been 14.9 percent. As a result of this windfall, BellSouth has invested heavily in wireless technology (including the acquisition of a 40% share in Verizon Wireless), and telecommunications ventures in Latin America. BellSouth has reaped tremendous benefits from its anti-competitive tactics and will continue to do so unless forced to adhere to its contractual obligations as well as its obligations under the Act, the FCC, and various State Commissions' Orders.

Q. DOES BELLSOUTH HAVE ANY INCENTIVE TO CO-OPERATE WITH SUPRA IN NEGOTIATING A FOLLOW-ON AGREEMENT IN FULIFILLMENT OF ITS STATUTORY OBLIGATIONS UNDER SECTION 251 OF THE ACT AND APPLICABLE FEDERAL AND STATE RULES?

A. No. BellSouth has no incentive whatsoever to comply as it has a much stronger incentive to preserve its local monopoly and prevent its competitors from succeeding in capturing local market share. This is easy for BellSouth to achieve as BellSouth controls the facilities necessary for Supra and other CLECs to provide services. Thus, BellSouth has both the motive and the ability to discriminate in favor of its own retail services by charging anti-competitive rates for access to those facilities, providing those facilities in a nondiscriminatory fashion, and by flat-out refusing to abide by contractual and statutory terms, the Act and relevant Federal and State rules.

Not even the ability to provide long distance services pursuant to Section 271 of the Act can provide enough incentive to secure BellSouth's cooperation. **First**, the long distance market is highly competitive. **Second**, revenues in the long distance market are dropping. **Third**, as much as BellSouth would want this Commission and other regulators to believe, it does not make any business sense for BellSouth to give up any share of its local telephone monopoly market in order to secure approval to compete in the highly competitive long distance market. BellSouth would prefer to have it both ways – maintain its monopoly power on the local telephone market as well as secure approval to provide long distance service.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to provide information to this Commission with regard to this arbitration in order to substantiate Supra's claims enumerated in its Status

and Complaint Regarding BellSouth's Bad Faith Negotiation Tactics, as well as to provide support for Supra's positions regarding a number of the issues outlined in the Commission's Supplemental Order Establishing Procedure, issued July 13, 2001 in this docket.

My testimony is divided into the following areas:

Section I: General Overview of the Relationship Between the Parties and Examples of Tortious Intent, on the part of BellSouth, to Harm Supra.

Section II: BellSouth's Willful and Intentional Bad Faith Negotiation Tactics of a Follow-On Agreement: **(a)** BellSouth's Willful and Intentional Refusal to Provide Information About its Network; **(b)** BellSouth's Willful and Intentional Refusal to Negotiate from the Current Agreement, and **(c)** BellSouth's Willful and Intentional Refusal to Comply with the Procedural Requirements of the Parties' Current, FPSC-Approved Interconnection Agreement before Filing its' Petition for Arbitration so as to Harm Supra.

Section III: Unresolved Issues: a, 1, 4, 5, 9, 16, 17, 18, 26, 35, 38, 44, 46, 47, 51, 52, 55, 57, 59, 60, 61, 62, 65 and 66.

Section IV: Relief Sought By Supra.

I. GENERAL OVERVIEW OF THE RELATIONSHIP BETWEEN THE PARTIES

Q. WHY IS THE PAST RELATIONSHIP OF THE PARTIES RELEVANT TO THIS PROCEEDING?

A. The parties have established a course of dealings over the past 4 and ½ years which cannot simply be ignored when considering a Follow-On Agreement. Obviously, the parties wish to negotiate a new agreement, which will clearly and unambiguously identify each party's rights and obligations, so as to avoid future litigation. In order to

understand the parties' needs in avoiding future litigation, one must first understand the parties' past litigation, so that the Follow-On Agreement will not lead the parties back to issues which have previously been litigated. Furthermore, as Supra has been treated in less than a fair manner throughout its dealings with BellSouth, including the negotiation of this very Follow-On Agreement, Supra seeks affirmative relief from this Commission which will provide incentives for BellSouth's compliance with the Act, the FCC rules and orders, this Commission's rules and orders, as well as the terms of the parties' Follow-On Agreement.

Q. CAN YOU DESCRIBE FROM THE BEGINNING THE RELATIONSHIP BETWEEN THE TWO CORPORATIONS?

A. It has been a difficult relationship for Supra as BellSouth has often acted in bad faith with the tortious intent to harm Supra.

[redacted]

Q. SINCE SUPRA'S ADOPTION OF THE AT&T/BELLSOUTH INTERCONNECTION AGREEMENT, WHAT HAS BEEN BELLSOUTH'S RESPONSE TO SUPRA'S REQUESTS TO IMPLEMENT THE AGREEMENT?

A. BellSouth has chosen non-compliance over compliance; [redacted]

- [redacted]
- [redacted]
- [redacted]

[redacted]

Q. [redacted]

A. [redacted] BellSouth is aware that [redacted] as BellSouth is a signatory to the Current Agreement (see Section 2.1 of Attachment 1), a CPR Sustaining Member Corporation **(see attached Supra Exhibit OAR 44 at page 3 of 13),** and a signatory of CPR Corporate Policy Statement on Alternatives to Litigation **(see attached Supra Exhibit OAR 45 at page 3 of 20).** [redacted]

II. BELLSOUTH'S WILLFUL AND INTENTIONAL BAD FAITH NEGOTIATION TACTICS OF A FOLLOW-ON AGREEMENT

Issue A: *Has BellSouth or Supra violated the requirement in Commission Order PSC-01-1180-FOF-TI to negotiate in good faith pursuant to Section 252 (b)(5) of the Act? If so, should BellSouth or Supra be fined $25,000 for each violation of Commission Order PSC-01-1180-FOF-TI, for each day of the period May 29, 2001 through June 6, 2001?*

In this section, I will address the following subjects: **(a)** BellSouth's Willful and Intentional Refusal to Provide Information About its Network; **(b)** BellSouth's Willful and Intentional Refusal to Negotiate from the Current Agreement, and **(c)** BellSouth's Willful and Intentional Refusal to Comply with the Procedural Requirements of the Parties'

Current FPSC-Approved Interconnection Agreement before filing its Petition for Arbitration.

Q. CAN YOU SUMMARIZE SUPRA'S COMPLAINT REGARDING BELLSOUTH'S WILLFUL AND INTENTIONAL BAD FAITH NEGOTIATION TACTICS FILED ON JUNE 18, 2001, IN THIS ARBITRATION PROCEEDING?

A. Yes. Supra's complaint against BellSouth begins with BellSouth's refusal to comply with the unambiguous language of the Act and FCC's Orders regarding one of the obligations owed by BellSouth to Supra – namely, the duty to negotiate in good faith. Specifically, Section 251(c)(1) of the Act provides as follows:

> DUTY TO NEGOTIATE- The duty to negotiate in **good faith** in accordance with section 252 the particular terms and conditions of agreements to fulfill the duties described in paragraphs (1) through (5) of subsection (b) and this subsection. The requesting telecommunications carrier also has the duty to negotiate in good faith the terms and conditions of such agreements. (Emphasis added.)

Q. WHAT IS YOUR UNDERSTANDING OF THE MEANING OF GOOD FAITH AND BAD FAITH?

A. Section 4 of the General Terms and Conditions of the Current Agreement defines good faith as:

> In the performance of their obligations under this Agreement, the Parties shall act in good faith and consistently with the intent of the Act. Where notice, approval or similar action by a Party is permitted or required by any provision of this Agreement, (including, without limitation, the obligation of the Parties to further negotiate the resolution of new or open issues under this Agreement) such action shall not be unreasonably delayed, withheld or conditioned.

The FCC First Report and Order provides:

> The Uniform Commercial Code defines "good faith" as "honesty in fact in the conduct of the transaction concerned." When looking at good faith, the question "is a narrow one focused on the subjective intent with which the person in question has acted." Even where there is no specific duty to negotiate in good

> faith, certain principles or standards of conduct have been held to apply. For example, parties may not use duress or misrepresentation in negotiations. Thus, the duty to negotiate in good faith, at a minimum, prevents parties from intentionally misleading or coercing parties into reaching an agreement they would not otherwise have made. We conclude that intentionally obstructing negotiations also would constitute a failure to negotiate in good faith, because it reflects a party's unwillingness to reach agreement. (Emphasis added.)

(See ¶148 of the FCC First Report and Order (adopted August 1, 1996) on the Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, (FCC Competition Order).)

According to Black's Law Dictionary, *Bad Faith* is defined as:

> The opposite of "good faith, " generally implying or involving **actual or constructive fraud, or a design to mislead or deceive another, or a neglect or refusal to fulfill some duty or some contractual obligation, not prompted by an honest mistake as to one's rights or duties, but by some interested or sinister motive. Term "bad faith" is not simply bad judgement or negligence, but rather it implies the conscious doing of a wrong because of dishonest purpose or moral obliquity; it is different from the negative idea of negligence in that it contemplates a state of mind affirmatively operating with furtive design or will.** Stath v. Williams, Ind. App., 367 N.E.2d 1120, 1124 (1977). An intentional tort which results from breach of duty imposed as consequence of relationship established by contract. Davis v. Allstate Ins. Co., 101 Wis.2d 1, 303 N.W.2d 596, 599 (1981). (Emphasis added)

BellSouth has ignored Supra's requests for information, has prematurely filed a petition (knowing that it had not followed contractual and statutory procedures), has intentionally obstructed negotiations, and has filed a never-before seen template agreement as its proposed language in this proceeding, all in an attempt to rush Supra and this Commission into an arbitration for a Follow-On Agreement which will substantially favor BellSouth to the detriment of Supra and Florida telephone subscribers who have not benefited from the promotion of competition promised by the Act. BellSouth should not be allowed to benefit from this type of conduct. As will be

demonstrated by the evidence, BellSouth has acted in *bad faith* from the very beginning of the negotiations of the Follow-On Agreement.

(a) BellSouth's Willful and Intentional Refusal to Provide Information About its Network

Q. WHY MUST BELLSOUTH PROVIDE SUPRA INFORMATION ABOUT ITS NETWORK?

A. The Act, particularly Sections 202, 251 and 252, requires that an ILEC has a duty to provide interconnection of its network, to any requesting telecommunications carrier, on conditions that are reasonable and nondiscriminatory in accordance with the Act and the parties' agreement. Supra's complaint against BellSouth begins with BellSouth's refusal to comply with the plain unambiguous language of paragraph 155 of the FCC First Report and Order and 47 CFR §§51.301(c)(8), 51.305(g). Paragraph 155 of the FCC's First Report and Order provides that:

> We agree with incumbent LECs and new entrants that contend that the parties should be required to provide information necessary to reach agreement.[7] Parties should provide information that will speed the provisioning process, and incumbent LECs must prove to the state commission, or in some instances the Commission or a court, that delay is not a motive in their conduct. Review of such requests, however, must be made on a case-by-case basis to determine whether the information requested is reasonable and necessary to resolving the issues at stake. **It would be reasonable, for example, for a requesting carrier to seek and obtain cost data relevant to the negotiation, or information about the incumbent's network that is necessary to make a determination about which network elements to request to serve a particular customer.**[8] It

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[7] *See National Labor Relations Board v. Truitt Mfg Co.*, 351 U.S. 149, 153 (1956) (the trier of fact can reasonably conclude that a party lacks good faith if it raises assertions about inability to pay without making the slightest effort to substantiate that claim); *see also Microwave Facilities Operating in 1850-1990 MHz (2GHz) Band*, 61 F.R. 29679, 29689 (1996).

[8] *See* discussion of technical feasibility, *infra*, Section IV. In addition, the Commission's federal advisory committee, the Network Reliability Council, has developed templates that summarize and list activities that need to occur when service providers connect their networks pursuant to defined interconnection specifications or when they are attempting to define a new network interface specification. As consensus recommendations from the Council, we presume the elements defined in the templates are "good faith" issues for negotiation. Comments of the Secretariat of the Second Network Reliability Council at 4-5 (*citing Network Reliability: The Path Forward*, (1996), Section 2, pp. 51-56).

would not appear to be reasonable, however, for a carrier to demand proprietary information about the incumbent's network that is not necessary for such interconnection.[9] We conclude that an incumbent LEC may not deny a requesting carrier's reasonable request for cost data during the negotiation process, because we conclude that such information is necessary for the requesting carrier to determine whether the rates offered by the incumbent LEC are reasonable. We find that this is consistent with Congress's intention for parties to use the voluntary negotiation process, if possible, to reach agreements. On the other hand, the refusal of a new entrant to provide data about its own costs does not appear on its face to be unreasonable, because the negotiations are not about unbundling or leasing the new entrants' networks. (Emphasis added)

(See ¶155 FCC's First Report and Order (adopted August 1, 1996) on the Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, (FCC Competition Order).)

Furthermore, 47 CFR §51.301(c)(8), provides:

If proven to the Commission, an appropriate state commission, or a court of competent jurisdiction, the following practices, among others, violate the duty to negotiate in good faith:

(8) Refusing to provide information necessary to reach an agreement. Such refusal includes, but is not limited to:

(i) Refusal by an incumbent LEC to furnish information about its network that a requesting telecommunications carrier reasonably requires to identify the network elements that it needs in order to serve a particular customer . . .

Additionally, 47 CRR §51.305(g) provides that:

An incumbent LEC shall provide to a requesting telecommunications carrier technical information about the incumbent LEC's network facilities sufficient to allow the requesting carrier to achieve interconnection consistent with the requirements of this section.

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[9] This is consistent with previous FCC determinations. *See, e.g., Amendment of Rules and Policies Governing the Attachment of Cable Television Hardware to Utility Poles*, 4 FCC Rcd 468, 472 (1989) (good faith negotiations necessitate that, at a minimum, one party must approach the other with a specific request).

Q. HAS SUPRA REQUESTED THAT BELLSOUTH PROVIDE IT WITH INFORMATION ABOUT BELLSOUTH'S NETWORK?

A. Yes. Several times. Supra's initial request to BellSouth was made on or about June 22, 1998. See page 3 of attached **Supra Exhibit OAR 8.** On or about July 2, 1998, Marcus Cathey, Sales Assistant Vice President of BellSouth CLEC Interconnection Services, replied to Supra and completely ignored Supra's information request. See attached **Supra Exhibit OAR 9.** Due to its limited resources at that time, Supra was unable to pursue the request any further.

Again, on or about April 26, 2000, Supra sent a letter to BellSouth requesting that BellSouth provide Supra with information regarding its network which Supra reasonably required in order to negotiate a new agreement with BellSouth. A true copy of this letter is attached hereto as **Supra Exhibit OAR 10.** Furthermore, on or about August 8, 2000, Supra's Ms. Kelly Kester handed a copy of the same document request to BellSouth's Ms. Parkey Jordan, asking for the responsive documents. Again, BellSouth ignored the request. Thereafter, Supra persistently requested for the responsive documents from BellSouth as evidenced from the following:

- Supra's Motion to Dismiss dated January 26, 2001 filed in this Docket, which alleged among other things, BellSouth's bad faith negotiations tactics as evidenced in BellSouth's refusal to provide Supra information regarding its network. **See Supra Exhibit OAR 11.**

- BellSouth's Response to Supra's Motion to Dismiss, which again ignored Supra's request for information and stated that "if Supra actually had some basis for a claim

to this effect, then it could bring its claim before the FCC."[10] **See Supra Exhibit OAR 12.**

- Letter dated March 2, 2001 from Supra to the FCC regarding BellSouth's intentional and willful violations of Section 251(c)(1) of the Communications Act as amended by the 1996 Act, as well as Section 51.301 of the FCC rules. **See Supra Exhibit OAR 13.** It is Supra's belief that BellSouth has intended to harm Supra by making it impossible for Supra to negotiate a new interconnection agreement on equal footing with BellSouth, and thereby force Supra into an agreement which is one-sided in favor of BellSouth. Given the parties numerous disagreements during their relationship, many of which having ended up in litigation (before the FPSC, Federal District Court, and Commercial Arbitration) which resulted in favorable rulings for Supra, it is obvious now that BellSouth's strategy is to attempt to box Supra into a one-sided agreement, so as to prevent Supra from receiving the full benefits of the Act and its progeny.

- Letter dated April 4, 2001 from Supra to BellSouth demanding the requested information as well as BellSouth's cost studies. See attached **Supra Exhibit OAR 14.**

- Letter dated April 9, 2001 from BellSouth to Supra stating that BellSouth is "not certain what information [Supra is] asking BellSouth to provide." Regarding cost studies, the letter stated that "BellSouth will provide cost studies for the unbundled

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[10] See BellSouth's Response to Supra's Motion to Dismiss dated February 6, 2001 at ¶14.

network elements set forth in your agreement." See attached **Supra Exhibit OAR 15.** BellSouth has since provided some, but not all, of the requested cost studies.

- Letter dated April 11, 2001 from Supra to BellSouth demanding the requested information. See attached **Supra Exhibit OAR 16.**

- Letter dated April 13, 2001 from BellSouth to Supra directing Supra to BellSouth's Web site for the responsive information. See attached **Supra Exhibit OAR 17.**

- Conference call of April 24, 2001, between Supra, BellSouth and the FCC. On that call, Supra reiterated its demand for the responsive documents.

- Letter dated April 25, 2001 from Supra to the FCC regarding BellSouth's intentional and willful violations Section 251(c)(1) of the Communications Act as amended by the 1996 Act, as well as Paragraph 155 of the FCC First Report and Order and Section 51.301 of the FCC rules. **See Supra Exhibit OAR 18.**

- Letter dated May 1, 2001 from Supra to BellSouth demanding the requested information. **See Supra Exhibit OAR 19.**

- Letter dated May 8, 2001 from Supra to BellSouth demanding the requested information. **See Supra Exhibit OAR 20.**

- Letter dated May 18, 2001 from BellSouth to the FCC in response to Supra's letters dated March 15, 2001 and April 25, 2001. **See Supra Exhibit OAR 21.** At page 9 of that letter, BellSouth wrote that:

> One would logically conclude that if the information was necessary for Supra to negotiate, Supra would have raised this issue before the FPSC. Section 252(b)(4)(B) authorizes the state commission to require the parties "to provide such information as may be necessary for the state commission to reach a decision on the unresolved issues." That section also provides that if either party "fails unreasonably to respond on a timely basis to any reasonable request from the state commission, then the state commission may proceed on the basis of the best information available to it from whatever source derived." **Supra's failure to bring up the alleged request and need for the information before the state commission casts doubt on its request.** (Emphasis added.)

Supra brought this issue before this Commission in its Motion to Dismiss dated January 26, 2001 filed in this Docket. For BellSouth to have stated in a letter to the FCC that Supra never raised this issue before this Commission goes to confirm what most regulatory observers and followers of the Act have noted, that BellSouth will argue anything in any forum.

BellSouth continues to breach its obligations under the Act, as well as federal and state laws by its willful and intentional refusal to provide Supra with information about its network.

Q. WHY DO YOU STATE THAT BELLSOUTH HAS WILLFULLY AND INTENTIONALLY REFUSED TO PROVIDE INFORMATION ABOUT ITS NETWORK?

A. I say this because of the pattern of rejection of Supra's requests for information enumerated above as well as the *"stories"* that have been created by BellSouth to date. **First,** BellSouth's Response to Supra's Motion to Dismiss dated February 6, 2001

ignored Supra's request for information and stated that "if Supra actually had some basis for a claim to this effect, then it could bring its claim before the FCC." **See Supra Exhibit OAR 12. Second**, BellSouth's pattern of rejection and/or complete disregard for Supra's information request. **See Supra Exhibits OAR 8 to 21. Third,** in its response to Supra's Bad Faith Negotiation Tactics Complaint brought against BellSouth, it stated that:

> BellSouth does not believe that Supra requested these documents prior to the first week of April, 2001.
>
> (See paragraph 4, page 2 of BellSouth's Response to Supra's Complaint and Motion to Dismiss dated July 9, 2001.)

The above statement is not only an outright misstatement, it further confirms how BellSouth fears no repercussions for making factually untruthful statements to regulatory bodies. See **Supra Exhibits OAR 8 to 21.**

Fourth, at Section III, page 8 of its Opposition to Supra's Motion to Stay filed on July 18, 2001, BellSouth stated in part that:

> **Despite the fact that Supra formally requested these documents in January 2001** and BellSouth filed its objections in February 2001, Supra has not filed a motion to compel, which would have enabled the Commission to resolve this issue several months ago without delaying the hearing of this matter. (Emphasis placed.)

In one pleading, BellSouth claims that Supra did not request the information until April 2001, while in another pleading, it affirms that Supra requested the information in January 2001. The evidence in this Docket shows that Supra's initial request dates back to June 1998.

BellSouth's refusal to provide information is not only a discriminatory practice in violation of applicable federal and state laws, but also a calculated attempt to assure

that Supra and its customers cannot receive the same quality of services, elements and ancillary functions that BellSouth provides itself and its customers. Furthermore, it should be seen as another effort by BellSouth to assure that the Follow-On Agreement is devoid of **"clarity and parity."**

Q. WHY DO YOU STATE THAT BELLSOUTH'S WILLFUL AND INTENTIONAL REFUSAL TO PROVIDE INFORMATION IS A CALCULATED ATTEMPT TO ASSURE THAT SUPRA AND ITS CUSTOMERS CANNOT RECEIVE THE SAME SERVICES, ELEMENTS AND ANCILLARY FUCNTIONS THAT BELLSOUTH PROVIDES ITSELF AND ITS CUSTOMERS?

A. I say this because BellSouth has acted to create and fortify barriers between Supra and BellSouth's network, thereby making it impossible for Supra to have access to the same services, elements and ancillary functions that BellSouth provides itself and its customers. Supra never truly appreciated the breadth of BellSouth's OSS until it received information on BellSouth's OSS. See attached **Supra Exhibit OAR 22.** [redacted] As Supra uses BellSouth's network to provision services to its end-users, Supra must know what this network's capabilities are in order to design products and packages for its end-users. Supra leases UNEs from BellSouth and entitled to know what those UNEs are currently capable of providing as well as what new-innovative services those UNEs are capable of providing.

Q. DO YOU HAVE AN IDEA OF WHAT BELLSOUTH IS CAPABLE OF PROVIDING ITSELF AND ITS CUSTOMERS FROM THE BELLSOUTH NETWORK?

A. Yes. Although BellSouth has refused to provide Supra with the pertinent information regarding its network, Supra has reviewed BellSouth's Florida Intrastate Tariff as well as its FCC Tariff. These voluminous documents evidence what BellSouth currently makes available to consumers, and Supra believes that even this is not a complete picture as to what BellSouth's network may be capable of.

Q. IS SUPRA ABLE TO PROVIDE THE SAME SERVICES THAT BELLSOUTH IS ABLE TO PROVIDE ITSELF AND ITS CUSTOMERS AS EVIDENCED IN THE BELLSOUTH TARIFFS?

A. Absolutely not. Though the parties agreement, the Act and federal and state rules provide that Supra must have nondiscriminatory access to BellSouth's network, the reality of the situation is that Supra has been limited by BellSouth to very restricted access to BellSouth's network. Attached as **Supra Exhibit OAR 23** is a copy of Supra's Florida tariff. While Supra is only able to provide some form of limited services to certain residential and small business customers, BellSouth is able to provide an array of services to all telecommunications subscribers. In fact, as Section 271 of the Act prohibits BellSouth, but not Supra, from providing interLATA services, Supra should be able to provide even more services than BellSouth. Unfortunately, BellSouth has prevented this from happening.

Q. HAS SUPRA PROVIDED BELLSOUTH WITH ADDITIONAL EXPLANATIONS AS TO THE INFORMATION THAT IT IS SEEKING FROM THE NETWORK RELIABILITY TEMPLATE TO BELLSOUTH?

A. Yes, on several occasions, Supra has provided BellSouth with additional explanations as to the information that it is seeking from the Increased Interconnection Task Group II Report of the Network Reliability Council to BellSouth. See attached **Supra Exhibit OAR 24.** After sending the letter to BellSouth in April 2000, I have had at least six follow-up calls with BellSouth's Pat Finlen and Marcus Cathey. Pat Finlen used to be BellSouth's lead negotiator for Supra and Marcus Cathey is the designated head of BellSouth's account team for Supra. On two of those calls, I went into great details to explain Supra's request. Mr. Finlen directed Supra to BellSouth's Web site for the responsive information. All the items listed on pages 47 to 52 have been explained to BellSouth's Pat Finlen, Marcus Cathey and Parkey Jordan. If it is true that Supra never explained its requirements to BellSouth, then why did BellSouth inform Supra that the responsive information could be obtained off of BellSouth's Web site? Only BellSouth can answer this question. Of course, BellSouth's Web site does not provide the requested information, as it only provides information regarding the CLEC portion of the network which BellSouth makes available. It does not speak to the functions and capabilities of BellSouth's own network.

Supra explained the information it is seeking regarding Interconnection Provisioning information and guidelines, as follows:

- Tariff Identification: Supra requested BellSouth to identify its entire public and private tariff filed at the federal and state levels as well as any and all other rates that are not available publicly. So far, BellSouth has provided some of its cost studies, which are incomplete.
- NOF References: Supra requested BellSouth to identify its references to the Network Operations Forum ("NOF") principles and procedures.

- Interface Specifications: Supra requested BellSouth to identify all the OSS that it uses for the provisioning of services at its central offices as well as to its end-users.
- Network Design: Supra requested BellSouth to provide information regarding design, interconnection and configuration of its network from the end-office level to the LATA and state.

To date, BellSouth has refused to provide Supra with any of this requested information.

Q. WHY DOES SUPRA SEEK CLARITY AND PARITY IN THE FOLLOW-ON AGREEMENT?

A. Supra seeks clarity and parity in the Follow-On Agreement for two reasons. **First**, is the need to avoid litigation regarding the obligations and rights of the parties under the agreement. **Second**, to promote competition and rapid deployment of technology. If Supra cannot offer the same quality and timely services as BellSouth, or if Supra must expend more in order to provide the same quality and timely services, Supra will never be able to successfully compete with BellSouth.

Q. IT IS BELLSOUTH'S POSITION THAT SUPRA'S INFORMATION REQUEST IS A DELAY TACTIC EMPLOYED IN ORDER TO AVOID ENTERING INTO A FOLLOW-ON AGREEMENT. HOW DO YOU RESPOND?

A. This allegation is baseless when one considers that the terms, rates and conditions of the Follow-On Agreement will apply retroactively to the expiration date of the Current Agreement. See Section 2.3, General Terms and Conditions of the Current Agreement. Regardless of when the Follow-On Agreement is executed, the parties will have to true-up their respective obligations to reflect the Follow-On Agreement's terms,

rates and conditions. Supra will not "gain" anything by a delay. Conversely, BellSouth is not prejudiced and loses nothing by a delay, other than the ability to arbitrate an agreement against a party that has less than complete information from which to support its arguments. BellSouth has failed to state why it considers Supra's information request a delay tactic, except to just take a passing shot at Supra for demanding its statutory entitlement and preservation of rights. BellSouth must comply with its statutory and contractual obligations and must make the requested disclosures.

Q. DID BELLSOUTH EVER DENY HAVING THE NETWORK INFORMATION REQUESTED BY SUPRA?

A. Interestingly, BellSouth never denied that it had the information that Supra requested, never bothered to take Supra's request to its Subject Matter Experts ("SMEs"), and never brought a single SME to any conference with Supra, while Supra brought its Network Engineer, fully prepared to discuss interconnection, to the meeting. Instead of providing the information, BellSouth merely offered to send a contract negotiator and an attorney, not even a SME, to Supra's office in Miami to explain the proposed draft of its standard, UNE-P Agreement, filed with the Commission in this arbitration, to Supra. Apparently, BellSouth believes that its draft language document cannot speak for itself.

Supra explained that it is a logical impossibility to use the draft document, alone, to determine if omissions existed. Nor can the draft document be used to illuminate any technical position other than the ONE position that BellSouth puts forward. This prevents Supra from negotiating on an equal footing with BellSouth, and down the road may lead to network instabilities and/or increased costs for Supra customers. That was

what the Increased Reliability Task Force document was intended to eliminate in the first place.

Q. HAS BELLSOUTH PROMISED TO PROVIDE THE REQUESTED INFORMATION TO SUPRA?

A. Yes. On or about June 4, 2001, at an Inter-Company Review Board meeting, BellSouth's Patrick Finlen, reluctantly promised to contact its SMEs for the same information that Supra requested almost three years ago. Certainly, BellSouth must not be allowed to discourage facilities-based competition via use of BellSouth's property.

Q. WHY DO YOU STATE BELLSOUTH MUST NOT BE ALLOWED TO DISCOURAGE FACILITIES-BASED COMPETITION VIA USE OF BELLSOUTH'S PROPERTY?

A. I say this because it is BellSouth's avowed position that the use of "BellSouth's property" by ALECs will "discourage facilities-based competition."

Between August 23 and 30, 1996, several BellSouth witnesses filed their Supplemental Direct and Rebuttal Testimonies in Docket No. 960833-TP; the AT&T/BellSouth arbitration proceeding which resulted in the Current Agreement. Notably, BellSouth's witness, Mr. Robert C. Scheye as Senior Director of Strategic Management, asked himself the following questions and provided the following responses:

> Q. DOES BELLSOUTH PLAN TO APPEAL THE ORDER?
>
> A. Yes. The Company is particularly concerned that the FCC Order usurps the intent of Congress, takes away the power of the states to establish prices, and that the *Order establishes prices for the use of BellSouth's network which will discourage facilities-based competition and possibly result in a taking of BellSouth's property*. BellSouth recommends that, until all challenges to the FCC's Order have been exhausted, the Commission carefully evaluate whether

provisions of the FCC's Order are consistent with Act, and whether the Order requires immediate adoption and implementation by state commissions.

Mr. Scheye continued with the following:

UNBUNDLED NETWORK ELEMENTS

Q. AT&T WITNESS TAMPLIN STATES ON PAGE 17 OF HIS TESTIMONY THAT BELLSOUTH SHOULD NOT BE PERMITTED TO PLACE ANY RESTRICTION ON AT&T OR ANY OTHER CARRIER'S USE OF UNBUNDLED NETWORK ELEMENTS LEASED FROM BELLSOUTH. ARE ANY RESTRICTIONS APPROPRIATE?

A. Yes. While AT&T and other new entrants should be able to combine unbundled network elements purchased from BellSouth with their own capabilities to create unique services, they should not be permitted to purchase only BellSouth's unbundled elements and recombine those elements to create the same functionality and/or service as BellSouth's existing retail service.

Q. PLEASE EXPLAIN WHY THIS RESTRICTION IS NECESSARY

A. If AT&T is permitted to simply order unbundled elements of a BellSouth service (which in reality would not be unbundled) and recreate that service with those elements, and If AT&T prevails in convincing this commission that such unbundled elements should be priced at cost (an issue discussed in more detail later), AT&T will be in a no-lose situation. Such a policy would provide AT&T with the following:

1. The ability to resell BellSouth's retail services, but avoid the Act's pricing standard for resale (assuming the wholesale discount for resale is not established high enough for AT&T's liking);

2. The ability for AT&T (and MCI and Sprint) to avoid the joint marketing restriction specified in the Act, as well as any use and user restriction contained in BellSouth's tariffs:

3. The ability to argue for the retention of access charges by AT&T even though the actual service arrangement is "disguised resale";

4. Assuming a wholesale discount acceptable to AT&T, the ability to maximize its market position by targeting the most profitable form of resale to particular customers; and

5. The ability to foreclose, to a large extent, facilities-based competition and competitors.

AT&T could achieve all of this without investing the first dollar in new facilities or new capabilities.

(See Rebuttal Testimony of Robert C. Scheye in CC Docket No. 960833-TP filed on August 30, 1996 at pages 3, 19-21. Emphasis added. Copy attached as **Supra Exhibit OAR 25.**

It is apparent from Mr. Scheye's testimony above that BellSouth was against the CLECs' purchase of UNEs as it would undermine BellSouth's retail operations. Ironically, one of the core issues in this Arbitration Proceeding is the purchase of UNEs and services in combination and pricing of elements and services.

Q. DOES SUPRA POSSESS BARGAINING POWER TO NEGOTIATE WITH BELLSOUTH ON EQUAL FOOTING?

A. Absolutely not. Perhaps, one of the reasons for BellSouth's willful and intentional refusal to provide Supra with information regarding its network is Supra's lack of bargaining power, as **Supra has nothing that BellSouth desires**. According to the FCC in its First Report and Order (Local Competition Order):

> Congress recognized that, because of the incumbent LEC's incentives and superior bargaining power, its negotiations with new entrants over the terms of such agreements would be quite different from typical commercial negotiations. **As distinct from bilateral commercial negotiation, the new entrant comes to the table with little or nothing the incumbent LEC needs or wants**. The statute addresses this problem by creating an arbitration proceeding in which the new entrant may assert certain rights, including that the incumbent's prices for unbundled network elements must be "just, reasonable and

nondiscriminatory."[11] We adopt rules herein to implement these requirements of section 251(c)(3). ¶15 Emphasis added.

> We find that incumbent LECs have no economic incentive, independent of the incentives set forth in sections 271 and 274 of the 1996 Act, to provide potential competitors with opportunities to interconnect with and make use of the incumbent LEC's network and services. **Negotiations between incumbent LECs and new entrants are not analogous to traditional commercial negotiations in which each party owns or controls something the other party desires. Under section 251, monopoly providers are required to make available their facilities and services to requesting carriers that intend to compete directly with the incumbent LEC for its customers and its control of the local market. Therefore, although the 1996 Act requires incumbent LECs, for example, to provide** interconnection and access to unbundled elements on rates, terms, and conditions that are just, reasonable, and nondiscriminatory, incumbent LECs have strong incentives to resist such obligations. The inequality of bargaining power between incumbents and new entrants militates in favor of rules that have the effect of equalizing bargaining power in part because many new entrants seek to enter national or regional markets. National (as opposed to state) rules more directly address these competitive circumstances. ¶55. Emphasis added.

Because of BellSouth's willful and intentional refusal to provide information about its network, Supra has been unable to identify all of the issues it seeks to raise, much less resolve a number of those which have already been identified. As a result, Supra has been severely disadvantaged in that it does not have the necessary, and required, information from which to even begin negotiations of the issues, as BellSouth has made it impossible for Supra to negotiate on equal-footing with BellSouth. As explained to BellSouth, Supra seeks the responsive information in order to include such information in the Follow-On Agreement so as to ensure **clarity and parity**. Supra wants to avoid excessive litigation which has taken place to date as a result of the lack of parity and clarity in the Current Agreement.

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[11] *See* 47 U.S.C.§ 251(c)(3)

Q. WHAT HAS THE FCC CONCLUDED WITH RESPECT TO BELLSOUTH'S BAD FAITH NEGOTITION TACTICS?

A. On or about November 2, 2000, BellSouth was fined $750,000 by the FCC for the very act it has committed against Supra. See In the Matter of BellSouth Corporation, File No. EB-900-IH-0134 Acct. No. X32080035 (Adopted October 27, 2000). Copy attached as **Supra Exhibit OAR 26.** According to the FCC:

> In this Order, we terminate an informal investigation into potential violations by BellSouth Corporation (BellSouth) of section 251(c)(1) of the Communications Act of 1934, as amended, and section 51.301 of the Commission's rules, in connection with BellSouth's alleged failure to negotiate in good faith the terms and conditions of an amendment to an interconnection agreement with Covad Communications Company (Covad) relating to BellSouth's provision of unbundled copper loops in nine states. ¶1

In the Matter of BellSouth Corporation, File No. EB-900-IH-0134 Acct. No. X32080035 Order (Adopted October 27, 2000).

Q. WHAT ISSUES OUTLINED IN THE COMMISSION'S SUPPLEMENTAL ORDER ESTABLISHING PROCEDURE, ISSUED JULY 13, 2001 IN THIS DOCKET IS SUPRA NOT ABLE TO ADDRESS AS A RESULT OF BELLSOUTH'S WILLFUL AND INTENTIONAL REFUSAL TO PROVIDE INFORMATION ABOUT ITS' NETWORK?

A. Issue numbers 5, 10, 12, 14, 15, 18, 19, 20, 25, 26, 27, 28, 29, 31, 32, 33, 34, 38, 40, 44, 46, 47, 48, 49, 51, 53, 55, 57, 59, 60, 61 and 62.

(b) BellSouth's Willful and Intentional Refusal to Negotiate from the Current Agreement

Q. WHAT IS THE BASIS FOR SUPRA'S CLAIM THAT IT IS ENTITLED TO BEGIN NEGOTIATIONS FROM THE CURRENT AGREEMENT?

A. Several reasons. **First**, the relationship between Supra and BellSouth started in 1997 when BellSouth finally "allowed" Supra to adopt the Current Agreement in October 1999; any follow-on agreement must reflect what has happened to date. **Second**, the parties have been through several commercial arbitration proceedings for the interpretation of the Current Agreement and to know what their specific rights and obligations are based on the agreement in conjunction with applicable federal and state laws. [redacted] **Fourth**, Supra has commenced the implementation of its Business Plan based on the Current Agreement, and should be entitled to some continuity, particularly where the majority of the terms and conditions remain unchanged by any subsequent order or rule. **Fifth**, the Follow-On Agreement should provide Supra's customers with continuity in the both the types of service and the costs of such service. **Sixth,** the Current Agreement has already "passed muster" with the Commission and has been the subject of various Commission and commercial arbitration rulings that clarify various provisions and memorialize current Florida law on the various subjects. **Seventh,** incorporating the terms of the Current Agreement into a Follow-On Agreement, will make the negotiation process quick and simple, as the parties are already familiar with the terms contained therein (there is simply no need to reinvent the wheel); thereby creating a "win-win" situation for everyone. The Commission will spend less time and public funds on arbitrating an entirely new agreement between the parties. **Eighth**, BellSouth had already agreed to this request with MCI. In Docket No. 000649-TP, MCI and BellSouth began their negotiations of a follow-on agreement using their current agreement as the starting point. Supra

requests that this Commission take judicial notice of this fact, as the MCI and BellSouth arbitration proceedings, and the relevant documents, are already in possession of the Commission. In attempting to begin negotiations from an entirely new agreement, rather than the Current Agreement, BellSouth has unfairly sought to place Supra in an unfavorable bargaining position.

BellSouth's stated purpose for beginning negotiations from a completely new agreement is that, because of changes in the law subsequent to the acceptance of the Current Agreement, the Current Agreement is out of date. This flawed, and disingenuous, reasoning fails because the Current Agreement had been amended on numerous occasions to reflect changes in the law, and because it would be simply a matter of inserting or deleting provisions in that agreement to make it reflect the current state of the industry.

Q. HAS SUPRA REQUESTED THAT THE PARTIES BEGIN NEGOTIATIONS FROM THE CURRENT AGREEMENT?

A. Yes. Several times. Despite repeated requests, BellSouth has willfully and intentionally ignored Supra's request to negotiate from the Current Agreement, and instead, has unreasonably insisted on commencing negotiations from its generic template. On or about June 7, 2000, Supra requested for the execution of an agreement, which would retain the exact same terms and conditions as the Current Agreement. In that letter, Supra's counsel stated that:

> As stated above, Supra Telecom wishes to execute an agreement which, except for expiration date, would retain the exact same terms as our current Interconnection Agreement. The time period for this new agreement can be three years. However, after negotiations between AT&T and BellSouth have concluded, Supra Telecom may then choose to opt into that agreement. We do not see why this request should create any problems for BellSouth since the

current agreement was obviously acceptable to BellSouth when originally negotiated with AT&T. Moreover, the current Agreement has already "passed muster" with the Florida Public Service Commission ("FPSC") and has been the subject of various FPSC rulings that clarify various provisions and memorialize current Florida law on the various subject. Moreover, incorporating the terms of the prior agreement into a new agreement will make negotiation of a new agreement quick and simple; thereby creating "win-win" situation for everyone. Although Supra Telecom would prefer entering into the same agreement again, if you believe that there are some terms in the current agreement which require modification or updating to bring the agreement in line with recent regulatory and industry changes, we would be happy to consider any proposed revisions. In any event, to avoid any delay, we can agree to negotiate such revisions by way of an amendment at a later date.

See attached **Supra Exhibit OAR 27.**

On or about June 8, 2000, BellSouth responded that it had proposed the agreement that it would like to execute[12] and never responded to Supra's specific request to begin negotiations from the Current Agreement. See attached **Supra Exhibit OAR 28.** On or about June 9, 2000, Supra again requested that the parties commence negotiations of the Follow-On Agreement from the Current Agreement. **Supra Exhibit OAR 29.**

Q. WHICH ALECS HAS BELLSOUTH ALLOWED TO EXTEND THE TERM OF ITS AGREEMENT OR TO NEGOTIATE FROM A CURRENT AGREEMENT?

A. It is on record that BellSouth extended the term of its interconnection agreements with the following ALECs: IDS, MCI, COVAD, and Intermedia, to mention a few. BellSouth's willful and intentional refusal of Supra's reasonable request, while providing

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[12] It is interesting to note that Supra never received such agreement until BellSouth filed same in its Petition for Arbitration.

same to Supra's competitors, is a violation of the Act, particularly Section 202(a) which provides that:

> It shall be unlawful for any common carrier to make any unjust or unreasonable discrimination in charges, practices, classifications, regulations, facilities, or services for or in connection with like communication service, directly or indirectly, by any means or device, or to make or give any undue or unreasonable preference or advantage to any particular person, class of persons, or locality, or to subject any particular person, class of persons, or locality to any undue or unreasonable prejudice or disadvantage.
>
> Additionally, see 47CFR §51.313.

Q. AT PAGE 5 OF BELLSOUTH'S REPSONSE TO SUPRA'S COMPLAINT AND MOTION TO DISMISS FILED BY BELLSOUTH ON JULY 9, 2001, BELLSOUTH STATED THAT:

> **SINCE THE OLD AGREEMENT WAS NEGOTIATED WITH AT&T FIVE YEARS AGO, BELLSOUTH'S PRACTICES HAVE CHANGED, THE CONTROLLING LAW HAS CHANGED, AND THE INTERCONNECTION OFFERINGS, TERMS AND CONDITIONS THAT ARE AVAILABLE HAVE CHANGED. ACCORDINGLY, WHAT BELLSOUTH OFFERS IN THE CURRENT STANDARD INTERCONNECTION AGREEMENT AS A STARTING POINT FOR NEGOTIATION IS DIFFERENT THAN WHAT BELLSOUTH OFFERED AS A STARTING POINT WHEN THE OLD AT&T AGREEMENT WAS DRAFTED.**

PLEASE COMMENT.

A. First, BellSouth's argument that its "practices have changed, the controlling law has changed, and the interconnection offerings, terms and conditions that are available have changed" is without merit. The Act, which is the controlling law in this instance, has neither been changed nor amended since its passage in 1996. What has happened so far is that regulators have broadened the scope of their interpretation of the Act. Supra is not, however, aware of any positive changes that have affected BellSouth's practices and its interconnection offerings, terms and conditions. What Supra is aware of is that the length and breadth of BellSouth's anti-competitive behavior has worsened.

See generally Petitions of ALECs against BellSouth filed before this Commission and in particular:

- Petition by AT&T Communications of the Southern States, Inc., TCG South Florida, and MediaOne Florida Telecommunications, Inc. for structural separation of BellSouth Telecommunications, Inc. into two distinct wholesale and retail corporate subsidiaries. CC Docket No. 010345-TP; and
- Request for arbitration concerning complaint of IDS Telecom, LLC against BellSouth Telecommunications, Inc. regarding breach of interconnection agreement. CC Docket No. 010740-TP.

Additionally, BellSouth's self-serving statement that "what BellSouth offers in the current standard interconnection agreement as a starting point for negotiation is different than what BellSouth offered as a starting point when the old AT&T agreement was drafted" is ridiculous. **AT&T, and not BellSouth** drafted the 1997, Commission approved, AT&T/BellSouth interconnection agreement. Please see **AT&T's Documents Submitted Under the Telecommunications Act of 1996, Volume X, Tabs 259 dated July 17, 1996 in CC Docket 960833-TP.** MCI proposed the draft of the MCI/BellSouth interconnection agreement in CC Docket No. 960846-TP as well as the MCI/BellSouth follow-on agreement in CC Docket No. 000649. This Commission must not sanction this type of discriminatory practice by BellSouth.

BellSouth has failed to state why it does not want to negotiate from the Current Agreement except that its "practices have changed". In any event, to the extent that BellSouth's practices have actually changed in order for BellSouth to comply with its

statutory obligations, BellSouth must make these changes known to Supra so that those practices can be incorporated in the Follow-On Agreement.

(c) BellSouth's Willful and Intentional Refusal to Comply with the Procedural Requirements of the Parties' Current FPSC-Approved Interconnection Agreement before Filing its' Petition for Arbitration so as to Harm Supra.

Q. WHY DO YOU STATE THAT BELLSOUTH WILLFULLY AND INTENTIONALLY REFUSED TO COMPLY WITH CONTRACTUAL REQUIREMENTS BEFORE FILING ITS PETITION FOR ARBITRATION?

A. Section 2.3 of the General Terms and Conditions of the Current Agreement provides, in pertinent part:

> Prior to filing a Petition [with the FPSC] pursuant to this Section 2.3, the Parties agree to utilize the informal dispute resolution process provided in Section 3 of Attachment 1.

Section 3 of Attachment 1 provides that:

> The Parties to this Agreement shall submit any and all disputes between BellSouth and [Supra] for resolution to an Inter-Company Review Board consisting of one representative from [Supra] at the Director-or-above level and one representative of BellSouth at the Vice-President–or-above level (or at such lower level as each Party may designate).

Section 4 of the General Terms and Conditions provides that:

> **Good Faith Performance**
> In the performance of their obligations under this Agreement, the Parties shall act in good faith and consistently with the intent of the Act. Where notice, approval or similar action by a Party is permitted or required by any provision of this Agreement, (including, without limitation, the obligation of the Parties to further negotiate the resolution of new or open issues under this Agreement) such action shall not be unreasonably delayed, withheld or conditioned.

BellSouth failed to request that the Follow-On Agreement be submitted to an Inter-Company Review Board prior to it filing the present Petition on or about September 1, 2000.

Q. HOW HAS BELLSOUTH EXPLAINED ITS HARMFUL CONDUCT OF FAILING TO CALL AN INTER-COMPANY REVIEW BOARD MEETING BEFORE FILING ITS PETITION?

A. BellSouth characterized the Inter-Company Review Board meeting as an extreme example of form over substance. This, says BellSouth, is because negotiations were held, and they were attended by the same persons who would have constituted an Inter-Company Review Board. See BellSouth's Response in Opposition to Supra's Motion to Dismiss at paragraph 7, page 4. BellSouth, again, misstates the facts. In fact, the negotiations that were held were not attended by the same persons who would have constituted an Inter-Company Review Board.

Q. WHAT DID THE COMMISSION CONCLUDE ABOUT BELLSOUTH'S FAILURE TO CONVENE AN INTER-COMPANY REVIEW BOARD MEETING BEFORE FILING ITS PETITION?

A. The Commission held that:

> We do not believe that this requirement of the agreement is simply form over substance as alluded to by BellSouth. BellSouth's blanket statement that the negotiations which were held would have been attended by the same representatives who would have attended an Inter-Company Review Board meeting, presupposes Supra's decision as to whom it would have sent to said meeting. Further, a meeting clearly designated as an Inter-Company Review Board meeting would entertain all issues in dispute, giving the greatest opportunity to reach agreement on the issues, or in the alternative, clearly delineate what issues would proceed to arbitration.

(See ORDER NO. PSC-01-1180-FOF-TI Issued May 23, 2001 in CC Docket No. 001305-TP)

Parity Provisions

Q. ARE THERE ANY GENERAL OBLIGATIONS WHICH SUPRA WISHES TO BE INCLUDED IN THE FOLLOW-ON AGREEMENT?

A. Yes. The Supreme Court, the Current Agreement, the Act, and FCC rules and orders contain a number of provisions designed to ensure that BellSouth provides CLECs, like Supra, nondiscriminatory access to its OSS at parity with what BellSouth provides itself. These decisional, statutory and contractual provisions are relevant to several of the issues that I will discuss in this proceeding, including, but not limited to, issues 5, 38, 46, 47, 51, 55, 57, 59, 60, 61 and 62.

To avoid duplicating the discussion of these provisions, they will be set out one time in this section, and thereafter referred to as to as the "Parity Provisions."

The relevant Parity Provisions of the Current Agreement are as follows:

> BellSouth shall accept orders for Service and Elements in accordance with the Federal Communications Commission Rules or State Commission Rules. Section 7.2 of the GTC.
>
> In providing Services and Elements, BellSouth will provide [Supra] with the quality of service BellSouth provides itself and its end-users. BellSouth's performance under this Agreement shall provide [Supra] with the capability to meet standards or other measurements that are at least equal to the level that BellSouth provides or is required to provide by law or its own internal procedures. BellSouth shall satisfy all service standard, measurement, and performance requirements as set forth in the Agreement and the measurements specified in Attachment 12 of this Agreement. Any conflict between the standards, measurements and performance requirement set forth in Attachment 12 shall be resolved in favor of the higher standard, measurement and performance. Section 12.1 of the GTC.
>
> **BellSouth will provide [Supra] with at least the capability to provide an [Supra] Customer the same experience as BellSouth provides its own Customers with respect to all Local Services.** The capability provided to

[Supra] by BellSouth shall be in accordance with standards or other measurements that are at least equal to the level that BellSouth provides or is required to provide by law and its own internal procedures. Section 23.3 of the GTC. (Emphasis added.)

BellSouth will provide [Supra] with the capability to provide [Supra] Customers the same ordering, provisioning intervals, and level of service experiences as BellSouth provides to its own Customers, in accordance with standards or other measurements that are at least equal to the level that BellSouth provides or is required to provide by law and its own internal procedures. Section 28.6.12 of the GTC. (Emphasis added.)

The functionalities identified above shall be tested by BellSouth in order to determine whether BellSouth performance meets the applicable service parity requirements, quality measures and other performance standards set forth in this Agreement. BellSouth shall make available sufficient technical staff to perform such testing. BellSouth technical staff shall be available to meet with [Supra] as necessary to facilitate testing. BellSouth and [Supra] shall mutually agree on the schedule for such testing. Section 28.9.2 of the GTC.

BellSouth shall offer Network Elements to [Supra] on an unbundled basis on rates, terms and conditions that are just, reasonable, and non-discriminatory in accordance with the terms and conditions of this Agreement. Section 30.1 of the GTC.

BellSouth will permit [Supra] to interconnect [Supra]'s facilities or facilities provided by [Supra] or by third Parties with each of BellSouth's unbundled Network Elements at any point designated by [Supra] that is technically feasible. Section 30.2 of the GTC.

BellSouth will deliver to [Supra]'s Served Premises any interface that is technically feasible. [Supra], at its option, may designate other interfaces through the Bona Fide Request process delineated in Attachment 14. Section 30.3 of the GTC.

BellSouth shall offer each Network Element individually and in combination with any other Network Element or Network Elements in order to permit [Supra] to provide Telecommunications Services to its Customers subject to the provisions of Section 1A of the General Terms and Conditions of this Agreement. Section 30.5 of the GTC. (Emphasis added.)

Each Network Element provided by BellSouth to [Supra] shall be at least equal in the quality of design, performance, features, functions and other characteristics, including but not limited to levels and types of redundant equipment and facilities for power, diversity and security, that BellSouth provides in the BellSouth network to itself, BellSouth's own Customers, to

a BellSouth affiliate or to any other entity for the same Network Element. Section 30.10.3 of the GTC. (Emphasis added.)

Unless otherwise designated by [Supra], each Network Element and the interconnections between Network Elements provided by BellSouth to [Supra] shall be made available to [Supra] on a priority basis that is equal to or better than the priorities that BellSouth provides to itself, BellSouth's own Customers, to a BellSouth affiliate or to any other entity for the same Network Element. Section 30.10.4 of the GTC.

Until such time as a gateway addressing Pre-Ordering and Provisioning interfaces is established, BellSouth shall provide [Supra] Customers with the same quality of service BellSouth provides itself, a subsidiary, an Affiliate or any other customer. Attachment 2, Section 16.8, in part.

Throughout the term of this Agreement, the quality of the technology, equipment, facilities, processes, and techniques (including, without limitation, such new architecture, equipment, facilities, and interfaces as BellSouth may deploy) that BellSouth provides to [Supra] under this Agreement shall be in accordance with standards or other measurements that are at least equal to the highest level that BellSouth provides or is required to provide by law and its own internal procedures. Attachment 4, Section 1.2.

For all Local Services, Network Elements and Combinations ordered under this Agreement, BellSouth will provide [Supra] and its customers ordering and provisioning, maintenance, and repair and pre-ordering services within the same level and quality of service available to BellSouth, its Affiliates, and its customers. Attachment 15, Section 1.2.

(See also Section 251(c)(2), (3), (4), (5) and (6) of the Act, and 47 CFR §§51.307, 51.309, 51.311, 51.313, 51.315, 51.319, 51.321 and 51.603.) Additionally, BellSouth's Hendrix admitted that:

.....the legal standard for parity set forth by the Federal Communications Commission and the parity requirements agreed to by BellSouth and [Supra] are, in practical effect, identical.

Parity Provisions Continued

Q. WHAT ISSUES PERTAIN, IN WHOLE OR IN PART, TO THE PARITY PROVISIONS IDENTIFIED ABOVE?

A. *Issue 5: Should BellSouth be required to provide to Supra a download of all BellSouth's Customer Service Records ("CSRs")?*

Issue 12: Should BellSouth be required to provide transport to Supra Telecom if that transport crosses LATA boundaries?

Issue 15: What Performance Measurements should be included in the Interconnection Agreement?

Issue 16: Under what conditions, if any, may BellSouth refuse to provide service under the terms of the interconnection agreement?

Issue 18: What are the appropriate rates for the following services, items or element forth in the proposed Interconnection Agreement?

(A) Resale

(B) *Network Elements*

(C) *Interconnection*

(D) *Collocation*

(E) *LNP/INP*

(F) *Billing Records*

(G) *Other*

Issue 21: What does "currently combines" means as that phrase is used in 47 C.F.R. §51.315(B)?

Issue 22: Under what conditions, if any, may BellSouth charge Supra Telecom a "non-recurring charge" for combining network elements on behalf of Supra Telecom?

Issue 23: Should BellSouth be directed to perform, upon request, the

functions necessary to combine unbundled network elements that are ordinarily combined in its network? If so, what charges, if any, should apply?

Issue 24: Should BellSouth be required to combine network elements that are not ordinarily combined in its network? If so, what charges, if any, should apply?

Issues 25A, 25B, 26, 27, 28, 29, 31, 32A, 32B, 33, 34, 35, 40, 41, 44, 45, 48, 49, 52, 53 and 66.

Issue 38: Is BellSouth required to provide Supra with nondiscriminatory access to the same databases BellSouth uses to provision its customers?

Issue 46: *Is BellSouth required to provide Supra the capability to submit orders electronically for all wholesale services and elements?*

Issue 47: *When, if at all, should there be manual intervention on electronically submitted orders?*

Issue 51: *Should BellSouth be allowed to impose a manual ordering charge when it fails to provide an electronic interface?*

Issue 55: *For purposes of the Follow-On Agreement, should BellSouth be required to provide an application-to-application access service order inquiry process?*

Issue 57: *Should BellSouth be required to provide downloads of RSAG, LFACS, PSIMS and PIC databases without license agreements and without charge?*

Issue 59: *Should Supra be required to pay for expedited service when BellSouth provides services after the offered expedited date, but prior to BellSouth's standard interval?*

Issue 60: *When BellSouth rejects or clarifies a Supra LSR or order, should BellSouth be required to identify all errors in the LSR or order that would cause it to be rejected or clarified?*

Issue 61: *Should BellSouth be allowed to drop or purge a Supra LSR or order? If so, under what circumstances and what notice should be given, if any?*

Issue 62: *For purposes of the Follow-On Agreement, should BellSouth be required to provide completion notices for manual LSRs or orders?*

Q. WHAT IS SUPRA'S POSITION ON THESE ISSUES WITH RESPECT TO THE PARITY PROVISIONS AND NONDISCRIMINATORY ACCESS TO BELLSOUTH'S OSS?

A. Under the Current Agreement, as well as both Federal and State law, Supra is entitled to nondiscriminatory, direct access to BellSouth's OSS. On or around September, 2000, Supra and BellSouth, in accordance with the Alternative Dispute Resolution clause contained within the Current Agreement, commenced separate, binding, arbitration proceedings before the CPR Institute for Dispute Resolution Arbitral Tribunal. [redacted]



Q. HAS BELLSOUTH PROVIDED SUPRA WITH NONDISCRIMINARY ACCESS TO ITS OSS?

A. No. BellSouth has intentionally and willfully breached the Current Agreement, the Act, and federal and state rules and orders by failing to provide Supra and its customers with an already-combined OSS, thereby ensuring that Supra and its customers do not receive the same quality of service as BellSouth provides itself and its customers. BellSouth has willfully refused to provide Supra with access to the same pre-ordering and ordering systems used by BellSouth, including RNS and ROS. This alone constitutes a violation of the UNEs, UNE combo and parity provisions. What BellSouth has done with its OSS is to separate already-combined network elements before leasing such elements to Supra. **Supra Exhibits OAR 30 and 31,** (including the video titled "**This Ol' Service Order**"). Instead of providing Supra with the already-combined OSS as requested by Supra, BellSouth has provided Supra with a degraded OSS, which could not possibly allow Supra and Supra's end-users to have the same

pre-ordering and ordering experience as that of BellSouth and BellSouth's end-users.[13] See **Supra Exhibit OAR 32** for a matrix of the ordering experience of a Supra customer compared with that of a similarly situated BellSouth customer.

The FCC defines "nondiscriminatory access" to mean:

> Accordingly, we conclude that the phrase "nondiscriminatory access" in section 251(c)(3) means at least two things: first, the quality of an unbundled network element that an incumbent LEC provides, as well as the access provided to that element, must be equal between all carriers requesting access to that element; second, where technically feasible, **the access and unbundled network element provided by an incumbent LEC must be at least equal-in-quality to that which the incumbent LEC provides to itself.**[14] (Emphasis added.)

(See FCC's First Report and Order, ¶312.)

BellSouth contends that it does not have to provide Supra with access to BellSouth's OSS, but instead, only to the same OSS functions which would allow Supra to provide Supra's service to its end users.

The FCC, in the Third Report and Order at ¶¶ 433, 434 and 523 held otherwise:

> We conclude that the lack of access to the incumbent LEC's OSS impairs the ability of requesting carriers to provide access to key information that is unavailable outside the incumbents' networks and is critical to the ability of other carriers to provide local exchange and exchange access service. **We therefore require incumbent LECs to offer unbundled access to <u>their</u> OSS nationwide.** ¶ 433. (Emphasis added.)

> Commentators overwhelmingly agree that the unbundling of OSS satisfies the impair standard of Section 251 (d)(2). OSS is a precondition to accessing other unbundled network elements and resold services, because competitors must utilize the incumbent LEC's OSS to order all network elements and resold services. **Thus, the success of local competition depends on the availability of access to <u>the incumbent LEC's OSS</u>. Without unbundled access to the incumbent LEC's OSS, competitors would not be able to provide**

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[13] It is interesting to note that, although BellSouth does not physically change other unbundled network elements that it claims to make available to CLECs, such as loops and ports, BellSouth readily admits to physically changing the UNE known as OSS.

[14] We note that providing access or elements of lesser quality than that enjoyed by the incumbent LEC would also constitute an "unjust" or "unreasonable" term or condition.

customers comparable competitive service, and hence would have to operate at a material disadvantage. While we acknowledge that a competitive market is developing for OSS systems, these alternative providers do not provide substitutable alternatives to the incumbent LEC's OSS functionality. Alternative OSS vendors provide requesting carriers with an electronic interface that allow competitive LECs to access the incumbent LEC's OSS and internal customer care systems. These vendors cannot provide a sufficient substitute for the incumbent LEC's underlying OSS, because incumbent LECs have access to exclusive information and functionalities needed to provide service. ¶ 434. (Emphasis added.)

We thus conclude that an incumbent LEC must provide nondiscriminatory access to their operations support systems functions for pre-ordering, ordering, provisioning, maintenance and repair, and billing available to the LEC itself.[15] Such nondiscriminatory access necessarily includes access to the functionality of any internal gateway systems[16] the incumbent employs in performing the above functions for its own customers. For example, to the extent that customer service representatives of the incumbent have access to available telephone numbers or service interval information during customer contacts, the incumbent must provide the same access to competing providers. Obviously, an incumbent that provisions network resources electronically does not discharge its obligation under section 251(c)(3) by offering competing providers access that involves human intervention, such as facsimile-based ordering.[17] ¶ 523.

Thus, the FCC has ordered ILECs to allow CLECs to use the same OSS as used by the ILECs. It is more than simply nondiscriminatory access to OSS functions, as BellSouth would have this Commission believe.

The various CLEC OSS made available by BellSouth to Supra do not give Supra nondiscriminatory access to any of the five OSS functions. For preordering, BellSouth

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[15] We adopt the definition of these terms as set forth in the *AT&T-Bell Atlantic Joint Ex Parte* as the minimum necessary for our requirements. We note, however, that individual incumbent LEC's OSS may not clearly mirror these definitions. Nevertheless, incumbent LECs must provide nondiscriminatory access to the full range of functions within pre-ordering, ordering, provisioning, maintenance and repair, and billing enjoyed by the incumbent LEC.

[16] A gateway system refers to any electronic interface the incumbent LEC has created for its own use in accessing support systems for providing pre-ordering, ordering, provisioning, repair and maintenance, and billing.

[17] Such access was all that Rochester Telephone provided to AT&T, when AT&T attempted to compete as a reseller of Rochester Telephone service. *See* Letter from Bruce Cox, Government Affairs Director, AT&T to William Caton, Acting Secretary, FCC, July 10, 1996 (AT&T July 10 *Ex Parte*).

uses the following interfaces/databases: IMAT, ZTRK, SOLAR, OASIS[18], CRIS, RNS, ROS, DOE, SONGS, ORBIT, RSAG, ORION, WOLF, CRIS, ATLAS, GIMI, AAND, SWISH, CLUE, DSAP, LIST, QUANTUM, CBI, AMOS, ORBIT, OLD, and CDIA. For Ordering, BellSouth uses OPI, RNS, ROS, DOE, SONGS, SOCS and BOCRIS. BellSouth has provided Supra access to LENS for Pre-Ordering and Ordering.

Although Supra disputes that BellSouth has made any OSS other than LENS available to it, even considering the other interfaces (TAG, RoboTAG and EDI), Supra's LSRs must go through more steps than a BellSouth order. Additionally, LENS, TAG, RoboTAG and EDI were all interim solutions, pursuant to the Current Agreement. (See Sections 28.1, 28.5.3, 28.6.7 and 28.6.10.3 of the GTC; Section 16.8 of Attachment 2, Section 5.1 of Attachment 4, Sections 4.6, 5.2 and 5.3 of Attachment 15.)

Supra's access to the various databases and the information contained therein, is different than BellSouth's access. Oftentimes, Supra does not have any access to those databases/interfaces, either because they are down or because BellSouth intentionally refused to provide Supra with access. This is inherently unequal and discriminatory. As a direct and proximate result, Supra cannot issue service orders (it issues local service requests ("LSRs")) and provision service at a level equal to or better than BellSouth.

Q. HAS BELLSOUTH PROVIDED NONDISCRIMINATORY ACCESS TO ITS OSS IN A MANNER WHICH ALLOWS SUPRA TO PERFORM PRE-ORDERING AND ORDERING IN PARITY WITH BELLSOUTH?

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[18] OASIS is linked to COFFI, ATLAS, CRIS & FUEL.

A. No. BellSouth's Pate admitted, with respect to the differences between a CLEC LSR and a BellSouth retail operations service order flowing through the OSS made available to each, the following:

> . . . the only difference between the process flows is that the CLEC LSR must be processed by the Local Exchange Ordering ("LEO") system and the Local Exchange Service Order Generator ("LESOG"). These two steps are necessary in order to provide edit formatting and translation of the industry standard LSR format into that of a service order format that can be accepted by the Service Order Communications Systems ("SOCS") for further downstream provisioning by the BellSouth legacy OSS. This is not required of the BellSouth retail interfaces as they were designed to submit the service request in a SOCS compatible format at its initiation.

While Pate erroneously declares that the *only* difference is the flow through of CLEC LSRs (via LENS, TAG, RoboTAG or EDI) to LEO and LESOG, his admission of these discriminatory practices is very significant. What Pate fails to explain is why it is "necessary[19]" for a CLEC to submit a LSR and not a service order as well as the fact that the LSR is submitted in a format which is different than the format which is needed for the order to be provisioned. Supra submits that it is not "necessary" at all. Furthermore, it is evident that BellSouth orders do not require additional systems in order to be edited and formatted. Yet, CLEC LSRs, whether they are placed via LENS, EDI, TAG or RoboTAG do require these additional systems. While LENS, TAG, RoboTAG and EDI are Web-based, BellSouth's systems are based on ANSI-C protocol. While ANSI-C protocol is a robust, stable and reliable language, HTML language is not. It is common knowledge that the Web is unreliable. This is part of the reason for the

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[19] The FCC has defined "Necessary" to mean a prerequisite for competition. See ¶282, FCC's First Report and Order (adopted August 1, 1996) on the Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, (FCC Competition Order).

incessant downtimes of CLEC OSS. Moreover, DOE and SONGS, the systems provided to the LCSC for the reformatting of CLEC LSRs into BellSouth service orders, as admitted by Pate, "are old, very archaic, more of a DOS format systems and more difficult to use than RNS and ROS."

The FCC, in its First Report and Order, paragraph 224, emphasizes the point:

> We conclude that the equal in quality standard of section 251(c)(2)(C) requires an incumbent LEC to provide interconnection between its network and that of a requesting carrier at a level of quality that is at least indistinguishable from that which the incumbent provides itself, a subsidiary, an affiliate, or any other party. We agree with MFS that this duty requires incumbent LECs to design interconnection facilities to meet the same technical criteria and service standards, such as probability of blocking in peak hours and transmission standards, that are used within their own networks. **Contrary to the view of some commenters, we further conclude that the equal in quality obligation imposed by section 251(c)(2) is not limited to the quality perceived by end users. The statutory language contains no such limitation, and creating such a limitation may allow incumbent LECs to discriminate against competitors in a manner imperceptible to end users, but which still provides incumbent LECs with advantages in the marketplace** (*e.g.*, the imposition of disparate conditions between carriers on the pricing and ordering of services). (Emphasis added.)

In that same Order, the FCC, at paragraph 312, went on to state:

> We conclude that the obligation to provide "nondiscriminatory access to network elements on an unbundled basis"[20] refers to both the physical or logical connection to the element and the element itself. In considering how to implement this obligation in a manner that would achieve the 1996 Act's goal of promoting local exchange competition, we recognize that new entrants, including small entities, would be denied a meaningful opportunity to compete if the quality of the access to unbundled elements provided by incumbent LECs, as well as the quality of the elements themselves, were lower than what the incumbent LECs provide to themselves. Thus, we conclude it would be insufficient to define the obligation of incumbent LECs to provide "nondiscriminatory access" to mean that the quality of the access and unbundled elements incumbent LECs provide to all requesting carriers is the same. As discussed above with respect to interconnection,[21] **an incumbent LEC could potentially act in a**

[20] 47 U.S.C. § 251(c)(3).

[21] *See supra*, Sections IV.G, IV.H.

nondiscriminatory manner in providing access or elements to all requesting carriers, while providing preferential access or elements to itself. Accordingly, we conclude that the phrase "nondiscriminatory access" in section 251(c)(3) means at least two things: first, the quality of an unbundled network element that an incumbent LEC provides, as well as the access provided to that element, must be equal between all carriers requesting access to that element; second, where technically feasible, the access and unbundled network element provided by an incumbent LEC must be at least equal-in-quality to that which the incumbent LEC provides to itself. (Emphasis added.)

BellSouth has never argued that access to RNS and ROS is not technically feasible. However, BellSouth does argue that it has made various OSS available to Supra (LENS, TAG, RoboTAG and EDI), and that Supra has chosen to use an inferior system (LENS) which is the root of Supra's problems. BellSouth admits that CLEC LSRs flowing through any of its CLEC OSS all go through the same BellSouth legacy systems, LEO and LESOG. Finally, BellSouth admits that BellSouth's own orders do not go through these legacy systems, and are not reformatted, as all CLEC LSRs are. Given the language quoted from the FCC's First Report and Order, it is obvious that BellSouth has done exactly what the FCC ordered it not do – provide preferential access to a network element to itself.

BellSouth, instead of providing nondiscriminatory access to its own OSS, has intentionally created ordering systems which could not possibly allow a CLEC to provision services to customers as quickly and easily as BellSouth can, *supra*. This is not simply a case of a party violating a statute or an agreement; this is a case where BellSouth, realizing that it would be more costly to actually comply with the Act and honor its Current Agreement, willfully and intentionally created a system which places its competitors at a severe disadvantage. In fact, LEO and LESOG, as well as the

whole LCSC, were created specifically for CLECs. These systems were never even in existence, much less in use, by anyone prior to the enactment of the Act. Furthermore, these systems, including the LCSC, were meant to be interim solutions under the Current Agreement. Attachment 4, Section 2.5.3; Attachment 15, Section 4.2, 4.5.1; Section 28.6.10.3 of the GTC. It has been 4 years since the Current Agreement was originally entered into, yet these interim solutions still are the only means provided by BellSouth for the submission of LSRs, as opposed to service orders, despite the unambiguous language contained in the Current Agreement and paragraph 525 of the FCC Local Competition Order. Section 28.5.3 of the GTC provides in pertinent part that:

> BellSouth shall provide [Supra] with interactive direct order entry no later than March 31, 1997.

Moreover, the evidence shows that, as stated by Supra, LENS is the least terrible of the CLEC OSS. **Supra Exhibit OAR 33.** BellSouth's "Report: Percent Flow Through Service Requests (Detail) for the period 11/01/00-11/30/00," shows (1) that more LSRs are submitted via LENS than any other interface (by a substantial margin) and (2) that more LSRs flow through LENS, on a percentage basis, than through any of the other CLEC OSS. Of course, when one compares this to the percentage flow through of service orders through BellSouth's retail systems, which is in the high 90s percentile, there truly is no comparison.

Notwithstanding these facts, Supra has attempted to use EDI and TAG, and has spent hundreds of thousands of dollars in an attempt to make these systems work. In October of 1997, Supra established a dial up EDI connection, but Supra's LSRs were not timely or correctly provisioned. In fact, BellSouth's EDI training instructor later confirmed that BellSouth's EDI deployment was not operationally ready at that time.

Supra also attempted to establish a TAG interface. In response to Supra's request, BellSouth claimed it did not have the resources to help Supra establish such, and instead engaged in a strategy to "keep the ball in Supra's court" so as to give the appearance of being helpful, while in reality, doing nothing to help Supra. It is this strategy which Supra has seen BellSouth practice time and again.

Although the data required for both is the same, BellSouth admits that CLECs submit LSRs in a different format than that of BellSouth's service orders. BellSouth admits that CLECs' LSRs must go through additional edit-checking systems and must then be re-formatted, either by a machine or by a human. BellSouth's service orders do not go through this process. BellSouth CSRs perform pre-ordering and ordering at the same time, while a CLEC has to perform these functions separately. The differences and inequalities between the CLEC pre-ordering and ordering experience and the BellSouth pre-ordering and ordering experience do not stop there. When Bellsouth's RNS and ROS are not working, BellSouth orders are submitted via the electronic interfaces DOE and SONGS, and sometimes directly into SOCS. When CLEC OSS, including LEO or LESOG, are not working, a CLEC must submit lengthy manual orders via facsimile.

Furthermore, when a Supra CSR has a problem with an order, its recourse is to call BellSouth's LCSC. When BellSouth has a problem with an order, it may contact a SME (subject matter expert), with direct knowledge in order to solve such. Again, BellSouth's access to personnel with necessary information is different than that of a CLEC. Supra does not have access to BellSouth's SMEs or operational departments,

but instead, to a group of sales people whose job is to increase BellSouth's revenues, while earning commissions in the process.

Moreover, the evidence reflects tremendous differences in the parties' abilities to calculate due dates for the provision of services. According to the RNS training manual, CV517: THE NEW ORDER, Lesson 13-5, dated November 1997, **Supra Exhibit OAR 34,** due dates are calculated in the following manner:

> RNS gives a standard due date; if the customer does not want the standard due date, then the BellSouth rep can negotiate a due date as set forth in (b);
>
> "Service When You Want It": The CSR contacts an electronic database known as CTCF (Due Date Appointment Plan) service when you want it and uses that database to provide the customer a customer desired due date. QuickService orders placed before 3 P.M. will be working before 5 P.M. and orders placed after 3 P.M. will be working by 10 A.M. the next business day.

Additionally, BellSouth's admission as to what "Due Date Appointment Plan/CTCF" is or provides, was:

> The Due Date Appointment Plan/Connect Through Company Facility (CTCF) is a guideline for negotiating due dates to *provide customer service as efficiently and quickly as possible.* (Emphasis added).

Because BellSouth's OSS performs pre-ordering, ordering and provisioning in one simple step, the due date calculation will not change, so the due date can be confidently quoted to the customer on the initial call. See video **"This Ol' Service Order."**

Conversely, Supra CSRs cannot confidently provide due dates to Supra end users. BellSouth has indicated that LENS accesses DOE Support Applications ("DSAP") to calculate due dates. The system has the following embedded problems: inability to allow for a customer desired due date; and where the LSRs contain 15 features or more, LENS does not provide a due date whereas BellSouth's retail systems do not

have any such limitations. Additionally, according to the training manual used by BellSouth to train its LCSC CSRs, Desired Due Date of CLECs orders "can not be sooner than the following day." **Supra Exhibit OAR 35.**

Because there is a gap between Supra's use of pre-ordering functions and submission of a Supra LSR into SOCS, the dates calculated in LENS might no longer be available. As a result, Supra cannot reliably quote a due date to its customers. The FCC agreed that BellSouth does not offer nondiscriminatory access to due dates. See In re Application of BellSouth Corporation Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in South Carolina, CC Docket No. 97-208, December 24, 1997, ¶ 167 (FCC South Carolina Order). See also In re Application of BellSouth Corporation Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in Louisiana, CC Docket No. 97-231, February 3, 1998, ¶ 56 (FCC Louisiana Order).

As the FCC stated:

> New entrants do not obtain actual due dates from LENS during the pre-ordering stage. Instead, the actual, firm date is assigned once BellSouth processes the order through SOCS. A new entrant therefore will not be informed of the actual due date until it receives a firm order confirmation (FOC) from BellSouth.
>
> FCC South Carolina Order ¶ 168. See also Louisiana Order ¶ 56. The FCC went on to note in the South Carolina case that even though BellSouth representatives do not receive actual due dates, they can be confident of the due dates they quoted customers because their orders are processed without the same delays that ALECs experience. Because of these delays, ALECs cannot give dates to customers with the same confidence. FCC South Carolina Order ¶ 168; FCC Louisiana Order ¶ 57.

Furthermore, BellSouth's Operations Director in charge of CLEC electronic interfaces, Gloria Burr, admitted that BellSouth's retail OSS could handle electronic

orders for complex services such as megalink (including T1s), frame relay, and litegate (type of DS3). She further admitted that CLEC OSS was not capable of handling such complex orders. It is interesting to note that SOCS, the system where all CLEC LSRs and BellSouth retail orders go for provisioning, is designed to handle every type of order. In fact, all orders must go to SOCS, "or it doesn't get provisioned" as admitted by Pate.

When one takes into account BellSouth's ability to provide answers to customers within seconds of taking an order, to electronically order complex services, to easily pick and change due dates, and to perform complex edit checks before submitting orders, it is obvious that Supra's customers do not enjoy a similar ordering experience. Despite BellSouth's statements to the contrary, other CLECs, such as AT&T, also are complaining of BellSouth's intentional degradation of OSS. See Complaint of AT&T against BellSouth, filed March 21, 2001, **Supra Exhibit OAR 36, pg. 11-13** and Complaint of IDS against BellSouth, filed May 11, 2001, **Supra Exhibit OAR 37**.

The FCC, in its First Report and Order, foresaw the problems which would arise should an ILEC provide itself with better quality elements than it provides to CLECs. Therefore, at paragraphs 315 and 316, the FCC ordered:

> The duty to provide unbundled network elements on "terms, and conditions that are just, reasonable, and nondiscriminatory" means, at a minimum, that whatever those terms and conditions are, they must be offered equally to all requesting carriers, and where applicable, they must be equal to the terms and conditions under which the incumbent LEC provisions such elements to itself.[22] We also conclude that, because section 251(c)(3) includes the terms "just" and "reasonable," this duty encompasses more than the obligation to treat carriers equally. Interpreting these terms in light of the 1996 Act's goal of promoting local

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[22] *See supra*, Sections IV.G, IV.H.

exchange competition, and the benefits inherent in such competition, we conclude that these terms require incumbent LECs to provide unbundled elements under terms and conditions that would provide an efficient competitor with a meaningful opportunity to compete. Such terms and conditions should serve to promote fair and efficient competition. This means, for example, that incumbent LECs may not provision unbundled elements that are inferior in quality to what the incumbent provides itself because this would likely deny an efficient competitor a meaningful opportunity to compete. We reach this conclusion because providing new entrants, including small entities, with a meaningful opportunity to compete is a necessary precondition to obtaining the benefits that the opening of local exchange markets to competition is designed to achieve.

As is more fully discussed below,[23] to enable new entrants, including small entities, to share the economies of scale, scope, and density within the incumbent LECs' networks, we conclude that incumbent LECs must provide carriers purchasing access to unbundled network elements with the pre-ordering, ordering, provisioning,[24] maintenance and repair, and billing functions of the incumbent LECs operations support systems. Moreover, the incumbent must provide access to these functions under the same terms and conditions that they provide these services to themselves or their customers.

When one considers the total degradation of the OSS and personnel support made available to CLECs, the evidence shows that BellSouth never intended to provide CLECs with the same ordering experience that BellSouth provides itself.

I will further address each OSS related issue, on an individual basis, later in my testimony.

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[23] *See infra*, Section V.J.

[24] The term "provisioning" includes installation.

Issue 1: *What is the appropriate format for the submission of disputes under the Follow-On Agreement? Should the parties be required to submit disputes under this Agreement to an Alternative Dispute Resolution Process (Commercial Arbitration) or alternatively should the parties be allowed to resolve disputes before any Court of competent jurisdiction and should, at least, mandatory mediation (informal dispute resolution) be required prior to bringing a petition?*

Q. WHAT IS THE PURPOSE OF THE TERMS AND CONDITIONS CONTAINED IN THE CURRENT AGREEMENT REGARDING DISPUTE RESOLUTION?

A. Pursuant to the Current Agreement:

> **Purpose**
>
> Attachment 1 provides for the expeditious, economical, and equitable resolution of disputes between BellSouth and AT&T arising under this Agreement. Section 1, Attachment 1. Emphasis added.

As will be demonstrated later in my Testimony, Supra and BellSouth as well as taxpayers have benefited immensely from the dispute resolution process in the Current Agreement.

Q. WHAT IS THE FORMAT PROVIDED FOR THE SUBMISSION OF DISPUTES UNDER THE CURRENT AGREEMENT?

A. Section 16.1 of the General Terms and Conditions provides that:

> All disputes, claims or disagreements (collectively "Disputes") arising under or related to this Agreement or the breach hereof shall be resolved in accordance with the procedures set forth in Attachment 1, except: (i) disputes arising pursuant to Attachment 6, Connectivity Billing; and (ii) disputes or matters for which the Telecommunications Act of 1996 specifies a particular remedy or procedure. Disputes involving matters subject to the Connectivity Billing provisions contained in Attachment 6, shall be resolved in accordance with the Billing Disputes section of Attachment 6. In no event shall the Parties permit the pendency of a Dispute to disrupt service to any AT&T Customer contemplated by this Agreement. The foregoing notwithstanding, neither this Section nor Attachment 1 shall be construed to prevent either Party from seeking and

obtaining temporary equitable remedies, including temporary restraining orders. A request by a Party to a court or a regulatory authority for interim measures or equitable relief shall not be deemed a waiver of the obligation to comply with Attachment 1. Emphasis added.

Additionally, Attachment 1 provides that:

1.1.1.1.1 Exclusive Remedy

Negotiation and arbitration under the procedures provided herein shall be the exclusive remedy for all disputes between BellSouth and AT&T arising under or related to this Agreement including its breach, except for: (i) disputes arising pursuant to Attachment 6, Connectivity Billing; and (ii) disputes or matters for which the Telecommunications Act of 1996 specifies a particular remedy or procedure. **Except as provided herein, BellSouth and AT&T hereby renounce all recourse to litigation and agree that the award of the arbitrators shall be final and subject to no judicial review, except on one or more of those grounds specified in the Federal Arbitration Act (9 USC §§ 1 et seq.), as amended, or any successor provision thereto**. Section 2.1. Emphasis added.

If, for any reason, certain claims or disputes are deemed to be non-arbitrable, the non-arbitrability of those claims or disputes shall in no way affect the arbitrability of any other claims or disputes. Section 2.1.1

If, for any reason, the Federal Communications Commission or any other federal or state regulatory agency exercises jurisdiction over and decides any dispute related to this Agreement or to any BellSouth tariff and, as a result, a claim is adjudicated in both an agency proceeding and an arbitration proceeding under this Attachment 1, the following provisions shall apply: Section 2.1.2.

To the extent required by law, the agency ruling shall be binding upon the Parties for the limited **purposes of regulation within the jurisdiction and authority of such agency.** Section 2.1.2.1.

The arbitration ruling rendered pursuant to this Attachment 1 shall be binding upon the Parties for purposes of establishing their respective contractual rights and obligations under this Agreement, and for all other purposes not expressly precluded by such agency ruling. Section 2.1.2.2.

The Current Agreement provides for the jurisdiction of the FCC, FPSC and private arbitration. The Current Agreement also renounces all recourse to litigation, as the award of the arbitrators shall be final.

Q. WHAT ARE THE DISPUTE RESOLUTION PROCEDURES CONTAINED IN THE CURRENT AGREEMENT?

A. **First,** there is informal dispute resolution.

1.1.1.1.2 Informal Resolution of Disputes

> The Parties to this Agreement shall submit any and all disputes between BellSouth and AT&T for resolution to an Inter-Company Review Board consisting of one representative from AT&T at the Director-or-above level and one representative from BellSouth at the Vice-President-or-above level (or at such lower level as each Party may designate). Section 3.1, Attachment 1.
>
> The Parties may enter into a settlement of any dispute at any time. Section 3.2

Second, all disputes affecting service must be resolved within 30 days of the initiation of arbitration proceeding.

> **Resolution of Disputes Affecting Service**
>
> **Purpose**
>
> This Section 9 describes the procedures for an expedited resolution of disputes between BellSouth and AT&T arising under this Agreement which directly affect the ability of a Party to provide uninterrupted, high quality services to its customers at the time of the dispute and which cannot be resolved using the procedures for informal resolution of disputes contained in this attachment of the Agreement. Section 9.1.

Additionally, see Sections 9.3 to 9.8 of Attachment 1.

Third, all other disputes must be resolved within 90 days of the initiation of arbitration proceeding. Section 12, Attachment 1 provides in pertinent part that:

> Except for Disputes Affecting Service, the Arbitrators shall make their decision within ninety (90) days of the initiation of proceedings pursuant to Section 4 of this Attachment, unless the Parties mutually agree otherwise

Q. WHAT ARE THE GOVERNING RULES FOR ARBITRATION CONTAINED IN THE CURRENT AGREEMENT?

A. Section 5.1 provides that:

Governing Rules for Arbitration

The rules set forth below and the CPR Rules shall govern all arbitration proceedings initiated pursuant to this Attachment; however, such arbitration proceedings shall not be conducted under the auspices of the CPR Rules unless the Parties mutually agree. Where any of the rules set forth herein conflict with the rules of the CPR Rules, the rules set forth in this Attachment shall prevail. Section 5.1.

A copy of the CPR Rules for Non-Administered Arbitration is attached as **Supra Exhibit OAR 38.**

Q. WHAT DOES THE AGREEMENT PROVIDE FOR THE APPOINTMENT, REMOVAL AND EXPERIENCE OF ARBITRATORS?

A. Section 6.1, Attachment 1 provides that:

Appointment and Removal of Arbitrators for the Disputes other than the Disputes Affecting Service Process

Each arbitration conducted pursuant to this Section shall be conducted before a panel of three Arbitrators, each of whom shall meet the qualifications set forth herein. **Each Arbitrator shall be impartial, shall not have been employed by or affiliated with any of the Parties hereto or any of their respective Affiliates and shall possess substantial legal, accounting, telecommunications, business or other professional experience relevant to the issues in dispute in the arbitration as stated in the notice initiating such proceeding.** The panel of arbitrators shall be selected as provided in the CPR Rules. Section 6.1. Emphasis added.

It is on record that the parties' current Arbitral Tribunal, consisting of three members, were jointly agreed upon by Supra and BellSouth from a list of qualified candidates as provided by the CPR Institute. See CPR Specialized Panels attached as **Supra Exhibit OAR 39** and Why 250 Global Corporations Are Members of CPR attached as **Supra Exhibit OAR 40,** particularly, **page 4 of 4.**

Q. ARE ARBITRATORS DECISION AND AWARD FINAL AND BINDING ON THE PARTIES?

A. Absolutely. According to Section 12 of Attachment 1:

> **Decision**
> **The Arbitrator(s) decision and award shall be final and binding,** and shall be in writing unless the Parties mutually agree to waive the requirement of a written opinion. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof. Either Party may apply to the United States District Court for the district in which the hearing occurred for an order enforcing the decision. Except for Disputes Affecting Service, the Arbitrators shall make their decision within ninety (90) days of the initiation of proceedings pursuant to Section 4 of this Attachment, unless the Parties mutually agree otherwise. Section 12. Emphasis added.

Additionally, Section 14.6 of the CPR Rules for Non-Administered Arbitration provides that:

> The award shall be final and binding on the parties, and the parties will undertake to carry out the award without delay. If an interpretation, correction or additional award is requested by a party, or a correction or additional award is made by the Tribunal on its own initiative as provided in Rule 14.5, the award shall be final and binding on the parties when such interpretation, correction or additional award is made by the Tribunal or upon the expiration of the time periods provided in Rule 14.5 for such interpretation, correction or additional award to be made, whichever is earlier.

See **page 11 of 13, Supra Exhibit OAR 38.**

The significance of above cannot be overemphasized. The finality of the award is a very useful tool that could be used by this Commission for the development of competition in the telecommunications industry.

Q. HOW DOES THE CURRENT AGREEMENT PROVIDE FOR THE COST OF ARBITRATION PROCEEDINGS?

A. The losing party pays the cost of the proceeding. Attachment 1 provides that:

> **Fees**

The Arbitrator(s) fees and expenses that are directly related to a particular proceeding shall be paid by the losing Party. In cases where the Arbitrator(s) determines that neither Party has, in some material respect, completely prevailed or lost in a proceeding, the Arbitrator(s) shall, in his or her discretion, apportion expenses to reflect the relative success of each Party. Those fees and expenses not directly related to a particular proceeding shall be shared equally. In the event that the Parties settle a dispute before the Arbitrator(s) reaches a decision with respect to that dispute, the Settlement Agreement must specify how the Arbitrator(s') fees for the particular proceeding will be apportioned. Section 13.1.

In an action to enforce or confirm a decision of the Arbitrator(s), the prevailing Party shall be entitled to its reasonable attorneys' fees, expert fees, costs, and expenses. Section 13.2.

Again, the importance of the above provisions is significant. Taxpayers are saved from paying for the losing party's anti-competitive behavior and breaches of contractual obligations while the award ensures the development of competition.

Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

A. BellSouth claims that disputes should not be heard by commercial arbitrators, but should instead be heard by this Commission. BellSouth claims that, in its experience, commercial arbitration is not time effective, and is more costly than resolving disputes before the Commission. Furthermore, BellSouth claims that the members of the Commission are in a better position to understand the issues in dispute, as they deal with such on a regular basis.

Q. HOW DO YOU RESPOND?

A. With all due respect to the Commission, Supra's experience with commercial arbitrations has been that the parties were able to find very qualified, telecommunications-knowledgeable persons to serve as arbitrators. Furthermore, Supra has found the commercial arbitration process to be a much more expedient process. To the extent that either party is not in violation of the Agreement, the

commercial arbitration process should be **less** expensive, as the prevailing party shall recover its attorney's fees and costs.

Perhaps as important, is the fact that commercial arbitrators have the ability to assess damages, whereas the Commission does not. If the parties are required to bring all disputes arising under the Follow-On Agreement to the Commission, neither party will be entitled to recover damages, if such are deemed recoverable. In fact, BellSouth has used this very argument in proceedings before the Commission. **See CC Docket No. 981832-TP and 981833-TP.** Supra would be unfairly prejudiced if it were unable to even pursue damages in the event of BellSouth's breach of the Follow-On Agreement. Again, BellSouth would have very little incentive to comply with the terms of the Follow-On Agreement if it knew it would not be subject to claims for damages. Additionally, Supra believes that commercial arbitration in conjunction with no limitation of liability provision or such a provision with the exceptions identified in Issue 65 as well as a punitive damages clause as identified in the Added Issue, will provide a sufficient incentive for BellSouth's compliance.

Issue 4: *Should the Follow-On Agreement contain language to the effect that it will not be filed with the Commission for approval prior to an ALEC obtaining ALEC certification from the Commission?*

Q. WHAT IS SUPRA'S POSITION ON THIS ISSUE?

A. The Follow-On Agreement between Supra and BellSouth need not contain any provision that requires prior certification by an ALEC prior to filing the Interconnection Agreement with the Commission. Since Supra is already certificated in Florida by the Commission, such language is superfluous. However, Supra has reason to believe

that BellSouth may be using its proposed provision to delay the entrance of new carriers into its service territory.

Q. DOES THE COMMISSION IMPOSE A DUTY UPON BELLSOUTH OR ANY ILEC TO REQUIRE CERTIFICATION PRIOR TO THE ADOPTION OF AN INTERCONNECTION AGREEMENT?

A. No. The Commission imposes no such duty upon BellSouth or any ILEC. The Commission only mandates that an ALEC be certificated before it begins providing Telecommunications Services in Florida. FPSC rule 25-4.004 states that:

> Except as provided in Chapter 364, Florida Statute, no person shall begin the construction or operation of telephone lines, plant or systems or extension thereof, or acquire ownership or control thereof, either directly or indirectly, without first obtaining from the Florida Public Service Commission, a certificate that the present or future public convenience and necessity require or will require such construction, operation or acquisition.

If an ALEC violates this rule, it will suffer the consequences according to law. The inclusion of this provision will only serve to delay an ALEC's attempt to provide Telecommunications Services in BellSouth's territory. Moreover, any ALEC, whether certificated or not, has the right to legally conduct test orders in Florida, so long as the ALEC is not selling telecommunications services to consumers. This is consistent with Florida Statutes § 364.33[25]. There are no laws or decisions that support this BellSouth's position.

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[25] F.S. 364.33 states as follows: A person may not begin the construction or operation of any telecommunications facility, or any extension thereof for the purpose of providing telecommunications services to the public, or acquire ownership or control thereof, in whatever manner, including the acquisition, transfer, or assignment of majority organizational control or controlling stock ownership, without prior approval. This section does not require approval by the commission prior to the construction, operation, or

Q. IS SUPRA PROPOSING AN ALTERNATIVE POSITION THAT WILL SATISFY BELLSOUTH'S CONCERN?

A. Yes. BellSouth is taking the position that if a non-certificated ALEC has an interconnection agreement, it may provide service without first being certificated, thus exposing BellSouth to being penalized by the Commission. Supra does not believe that this is accurate; however, Supra proposes a provision requiring BellSouth to provide service to an ALEC, whether certificated or not in Florida, so long as the ALEC is not providing telecommunications services to the public. Supra's proposed language coupled with the indemnification provisions contained in the Follow-On Agreement afford BellSouth adequate protection with respect to its concerns.

Issue 5: *Should BellSouth be required to provide to Supra a download of all BellSouth's Customer Service Records ("CSRs")?*

Q. WHAT IS SUPRA'S POSITION ON THIS ISSUE?

A. Please see the discussion regarding Parity Provisions *supra*. Furthermore, as BellSouth has refused to provide Supra with any information regarding its network, Supra is unsure as to whether it has provided a complete response in support of its position. Should it be found that Supra is entitled to additional information, and, should Supra discover relevant information as a result, Supra requests the right to supplement the record on this issue.

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extension of a facility by a certificated company within its certificated area nor in any way limit the commission's ability to review the prudency of such construction programs for ratemaking as provided under this chapter.

Issue 9: *What should be the definition of "ALEC"?*

Q. WHAT IS SUPRA'S POSITION ON THIS ISSUE?

A. Supra wishes to keep the listing and definition of ALEC in the Follow-On Agreement as set forth in the Current Agreement. See Attachment 11, wherein the parties agreed that LEC would be as defined by the Act. Supra is at a loss to understand why BellSouth would not want to clearly define the term ALEC. Supra is willing to also include the FCC's definition of ILEC and/or RBOC. Supra is not disputing the definition of ALEC found in Florida Statute 364.02. However, BellSouth should not be allowed to refuse to comply with an interconnection agreement simply because the carrier is not certificated. Consistent with both federal law and Fla. Stat. § 364.33, a non-certificated carrier should be allowed to engage in a test implementation of an interconnection agreement so long as the carrier is not providing telecommunications services to the public.

Issue 16: *Under what conditions, if any, may BellSouth refuse to provide service under the terms of an interconnection agreement?*

Q. WHAT IS SUPRA'S POSITION ON THIS ISSUE?

A. Under no circumstances should BellSouth refuse to provide any service under the terms of an interconnection agreement. Under the parties' various agreements, BellSouth would often refuse to provide Supra with requested services, claiming that the agreements did not provide for a certain rate, and therefore, until the parties agreed to a rate or the parties reached an arbitrated rate, BellSouth would continue to deny the

requested services. Supra had offered to retroactively apply the negotiated or arbitrated rate, to the time when BellSouth first supplied the service, but BellSouth refused, claiming it had no obligation to do so. Supra seeks language in the Follow-On Agreement which would obligate BellSouth to immediately provision requested services for which the Agreement did not specify a rate, such rate, once determined, to be applied retroactively.

Of course, the Follow-On Agreement should be a substantially complete agreement, subject only to amendments negotiated by the parties or mandated by law and regulatory authorities. Supra will apply its best efforts to identify all services and elements for which no rate has been established, and urge BellSouth to do the same. However, to the extent that some rates are left out or not determined at the time the Follow-On Agreement is implemented, Supra's request is not unreasonable, and would be in the best interests of Florida's consumers, as they would not have to wait for the parties to arbitrate additional rates before being provided with a competitive service.

Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

A. BellSouth does not believe that the Current Agreement is a complete agreement. Such is articulated by BellSouth's position that if a rate for service or an element is not specifically identified in the Agreement, then it has no obligation to provide it. BellSouth believes that the Agreement must be amended upon its request if its internal procedure requires that a rate or a condition is necessary for the provision of telecommunication services.

Q. WHAT IS THE EFFECT OF SUCH A POSITION ON SUPRA?

A. BellSouth's position is unreasonable and hinders real competition because of the ever-changing nature of the telecommunications environment. Moreover, this position will unreasonably delay the implementation of the Follow-On Agreement and the provision of Telecommunications Services to consumers.

Q. WHAT SHOULD BE THE PROCEDURE FOR RATES, ITEMS OR ELEMENTS NOT IDENTIFIED IN THE FOLLOW-ON AGREEMENT PRIOR TO EXECUTION?

A. If a rate is not provided in the Follow-On Agreement for a service, item or element, and that service, item or element could not reasonably be identified prior to execution, then BellSouth must provide that service, item or element without additional compensation. This includes components of any service, item or element for which there are cost studies or for which it can be reasonably concluded that BellSouth is compensated for the component within the cost of the entire service, item or element.

If the Follow-On Agreement does not directly address a service, item or element, but that service, item or element is necessary to provide a service, item or element directly addressed by the Follow-On Agreement, then BellSouth must provide that service, item or element without additional compensation if cost studies show or one could reasonable conclude that the cost of the service, item or element not addressed is included in the cost of the service, item or element addressed in the Follow-On Agreement.

Finally, if the Follow-On Agreement does not address a new service, item or element and new contract terms are necessary, then BellSouth must still provide that service, item or element; but, if the parties cannot expediently negotiate a new amendment, and must proceed according to the dispute resolution process in the Follow-On Agreement to resolve the terms of the new amendment. However, absent a Commission order, BellSouth should not be able to refuse to provide the service, item or element while the parties are resolving the new amendment. The new amendment should be applied retroactively to the date the service is first provisioned.

Issue 17: *Should Supra be allowed to engage in truthful, legal comparative advertising using BellSouth's name and marks?*

Q. ARE THERE ANY LAWS THAT RESTRICT THE USE OF BELLSOUTH'S NAME AND MARKS IN COMPARATIVE ADVERTISING?

A. No. The federal trademark law and its progeny do not impose any restrictions on the use of marks in truthful comparative advertising. Under federal law, Supra can, and is, allowed to use BellSouth's name and marks (i.e. trademarks, tradename, service marks and service names) in comparative advertising, which is truthful. The purpose of such law is to promote education of the consumers and foster competition, purposes in line with those contemplated in the Act.

Q. HAVE THERE BEEN ANY PROCEEDINGS BETWEEN SUPRA AND BELLSOUTH REGARDING THE USE OF BELLSOUTH'S MARKS?

A. BellSouth has sought to enjoin Supra from using its name and marks in all of Supra's advertisement[26]. Although these proceeding have not been fully adjudicated, the United States District Court of the Southern District of Florida has conclusively stated that Supra is allowed to use the BellSouth's names and marks in truthful and comparative advertising.

Q. WHAT DOES SUPRA WISH TO DO BY SEEKING THE RIGHT TO ENGAGE IN TRUTHFUL, COMPARATIVE ADVERTISING?

A. Supra seeks to inform consumers that they now have a choice in a local telephone service provider, and that Supra can offer similar services at competitive prices.

Q. HAS BELLSOUTH GIVEN OTHER ALECS THE RIGHT TO USE THE BELLSOUTH'S NAMES AND MARKS IN ADVERTISING?

A. Yes. On or about June 21, 2000, BellSouth entered into an Interconnection Agreement with MGC Communications d/b/a Mpower Communications Corporation ("Mpower.") The Mpower Interconnection Agreement, in paragraph 9.1 of the General Terms and Conditions - Part A, a true copy of which is attached hereto as **Supra Exhibit OAR 46**, provides:

> No License. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. Unless otherwise mutually agreed upon, neither Party shall publish or use the other Party's logo, trademark, service mark, name, language, pictures, or symbols or words from which the Party's name may reasonably be inferred or implied in any product,

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[26] The case is ongoing in the Southern District of Florida, Miami, Florida. Case No. 00-4205-CIV-Graham/Turnoff

service, advertisement, promotion, or any other publicity matter, except that nothing in this paragraph shall prohibit a Party from engaging in valid comparative advertising. . . . (Emphasis added)

Q. DID SUPRA SEEK TO ADOPT THIS PORTION OF THE MPOWER AGREEMENT?

A. Yes. Supra requested the right to adopt that provision in a letter dated October 6, 2000, under the non-discriminatory provision of the Act, attached herein **as Supra Exhibit OAR 41.**

Q. HAS BELLSOUTH AGREED TO THE ADOPTION?

A. No. BellSouth never responded and has ignored Supra's request. Instead, BellSouth used its sister company, BellSouth Intellectual Property Corporation, to file a lawsuit against Supra.

Supra has yet to be given a valid reason why it may not adopt the referenced provision from the Mpower Agreement, nor has Supra been provided with a valid reason why it should not have the same right of virtually every other business in the United States to engage in truthful, comparative advertising. Specifically, 15 U.S.C.A. § 1125(c)(4) provides, in pertinent part:

The following shall not be actionable under this section:

(A) Fair use of a famous mark by another person in comparative commercial advertising or promotion to identify the competing goods or services of the owner of the famous mark. (Emphasis added.)

Furthermore, the Federal Trade Commission's policy encourages comparative advertising, and "to make the comparison vivid, the Commission 'encourages the

naming of, or reference to competitors.' " *August Storck K.G. v. Nabisco, Inc.*, 59 F.3d 616, 618 (7th Cir.1995) (quoting 16 C.F.R. § 14.15(b))(Emphasis added). The Follow-on Agreement should provide that Supra has the unfettered right to engage in truthful, comparative advertising.

Issue 18: *What are the appropriate rates for the following services, items or element forth in the proposed Interconnection Agreement?*

(H) Resale

(I) *Network Elements*

(J) *Interconnection*

(K) *Collocation*

(L) *LNP/INP*

(M)*Billing Records*

(N) *Other*

Q. SHOULD BELLSOUTH BE ALLOWED TO UNILATERALLY SET THE RATES FOR SERVICES AND ELEMENTS IN THE FOLLOW-ON AGREEMENT?

A. No. BellSouth cannot set the rates for services and elements it provides to Supra under any circumstances. Otherwise, BellSouth will establish exorbitant rates for services, items and elements as it has in its UNE-P Agreement. Supra agrees to incorporate the rates as set forth in FPSC Docket Number 990649 TP.

Q. HOW SHOULD THE RATES FOR SERVICES AND ELEMENTS BE ESTABLISHED?

A. The rates set forth in the Follow-On Agreement should be those already established by the FCC and the Commission in current and/or prior proceedings. To the extent neither the FCC nor the Commission has established such rates, the rates should be those set forth in the Current Agreement.

Q. WHAT SERVICES, NETWORK ELEMENTS, INTERCONNECTION, COLLOCATION, LNP/INP, BILLING RECORDS AND OTHER IS SUPRA SEEKING RATES TO BE INCLUDED IN THE INTERCONNECTION AGREEMENT?

A. See attached **Supra Exhibit OAR 42.**

Issue 26: *Under what rates, terms and conditions may Supra purchase network elements or combinations to replace services currently purchased from BellSouth tariffs?*

Q. HAS THIS ISSUE BEEN NARROWED?

A. Yes. This issue has been narrowed to the following: *Should the TELRIC cost to do a record change in BellSouth's OSS, plus the recurring price of the appropriate network elements or combinations, be the non-recurring price to purchase network elements and combinations in such situations.*

Q. WHAT IS SUPRA'S POSITION ON THIS ISSUE?

A. The TELRIC cost to do a record change in BellSouth's OSS, plus the recurring price of the appropriate network elements or combinations, should be the non-recurring price to purchase network elements and combinations in such situations.

Q. HAS THE COMMISION RULED ON THIS MATTER?

A. Yes. The Commission ruled on this matter in docket PSC-FOF-98-0810-TP in which it equated the labor required to effect this change to be no different than that required to effect a change of a customer's long distance carrier (PIC change). The Commission stated:

> We also find that in cases not involving designed services, where fallout does not occur, and when electronic recent change translation is available, the time to migrate an existing BellSouth customer to an ALEC, that is to say, changing the presubscribed local carrier (PLC) code, is equal to the time it takes BellSouth to migrate a customer to an IXC by changing the PIC code. Upon review of the evidence in this record, we approve the non-recurring work times and direct labor rates shown in Table 1 for each loop and port combination in issue in this proceeding for the migration of an existing BellSouth customer to AT&T or MCIm without unbundling. We furthermore approve the resultant NRCs shown in Table II.

Table II

Commission-Approved Non-recurring Charges for Loop and Port Combinations

Network Element Combination	First Installation	Additional Installations
2-wire analog loop and port	$1.4596	$0.9335
2-wire ISDN loop and port	$3.0167	$2.4906
4-wire analog loop and port	$1.4596	$0.9335
4-wire DS1 loop and port	$1.9995	$1.2210

As such, the rates set forth in the Commission's Table II, *supra*, are the rates which should be included in the Follow-On Agreement.

Furthermore, as BellSouth has refused to provide Supra with any information regarding its network, Supra is unsure as to whether it has provided a complete response in support of its position. Should it be found that Supra is entitled to additional information, and, should Supra discover relevant information as a result, Supra request the right to supplement the record on this issue.

Issue 35: *Is conducting a statewide investigation of criminal history records for each Supra employee or agent being considered to work on a BellSouth premises a security measure that BellSouth may impose on Supra?*

Q. WHAT RESTRICTIONS HAS BELLSOUTH PROPOSED ON SUPRA'S ABILITY TO ALLOW ITS EMPLOYEES AMD AGENTS TO ACCESS ITS COLLOCATION SPACE?

A. BellSouth demands that Supra certify that criminal background checks have been conducted on each person who accesses the collocation space. Apparently, any person with a criminal conviction (felony or misdemeanor) would either be precluded from entry and/or Supra would be required to obtain permission to allow said person to work in the collocation space.

Q. IS THIS A REASONABLE REQUEST?

A. No. This requirement is unreasonable, excessive and discriminatory. Essentially, BellSouth would require all of Supra's field technicians to undergo a criminal background check, since any such technician may be called upon to work in our collocation space at any time. It is unreasonable and unnecessary because for each and every Supra employee, Supra already conducts an open-ended, county-by-county

criminal background search that encompasses the entire state of Florida. Anyone found to have been convicted of a felony or non-traffic related misdemeanor is terminated from or not offered employment. In fact, Supra's security measures are much more stringent than those BellSouth has in place for its own employees, vendors and agents. BellSouth requires only a seven (7) year criminal background check for all of its employees prior to hiring, and a five (5) year criminal background check for vendors and agents, while Supra's criminal background check is open-ended.

There have been no reported incidents of a Supra employee intentionally damaging any part of the BellSouth network. BellSouth has not and cannot show that the existing security arrangement is inadequate, or why the proposed security scheme is needed.

Q. WHY IS THE REQUIREMENT EXCESSIVE?

A. It increases Supra's expenses without any concomitant increase in the security purported to be sought by BellSouth. Supra has no reason to believe that its employees are criminals. Supra's current hiring and security practices seek to protect customers, employees and vendors and are more stringent that what BellSouth has in place. These security practices of Supra are intended to provide a safe and healthy work environment for all employees and contractors. There is no indication that a person convicted of a felony or misdemeanor has any more of an incentive to damage BellSouth's property as opposed to Supra's property.

Q. WOULD BELLSOUTH'S PROPOSED CRIMINAL BACKGROUND CHECK PROVIDE ANY ADDITIONAL SECURITY GUARANTEES?

A. No. The criminal background check proposed by BellSouth does nothing to limit or restrict a worker from harming or damaging property. Thus, it adds nothing to the current security arrangements. BellSouth has not provided any data demonstrating the usefulness of the proposed security restrictions in mitigating harm and damage to its network from Supra's employees and agents. If BellSouth's concern is about the destruction of network property, this can be alleviated through monitoring via cameras, electronic security locks, special identification badges and other preventative means, some of which have already been implemented. Moreover, Supra is willing to provide indemnification for loss or damage that occurs to BellSouth's property at a BellSouth premise as a result of the activities of a Supra employee. BellSouth's onerous proposal is nothing more than a tactic to stall competition and increase Supra's costs of and slow Supra's collocation efforts.

Q. IS BELLSOUTH'S PROPOSAL CONSISTENT WITH THE FCC'S RULES?

A. No. While the FCC stated In the Matters of Deployment of Wireline Services Offering Advanced Telecommunications Capability, issued on March 31, 1999 (FCC 99-48 in CC Docket No. 98-147), that incumbent LECS "may impose reasonable security arrangements to protect their equipment and ensure network security and reliability," additional security and background checks are not "reasonable security arrangements" as envisioned by the FCC. BellSouth's proposed criminal background check, necessarily importing increased expenses, is a bar for Supra collocation, is violative of the Act's allowance for non-discriminatory competition, and flies in the face of the FCC rule. In paragraph 48 of FCC 99-48, the FCC determined that:

Incumbent LECs may establish certain reasonable security measures that will assist in protecting their networks and equipment from harm...We permit incumbent LECs to install, for example, security cameras or other monitoring systems, or to require competitive LEC personnel to use badges with computerized tracking systems...We further permit incumbent LECs to require competitors"employees to undergo the same level of security training, or its equivalent, that the incumbent's own employees, or third party contractors providing similar functions, must undergo. (FCC 99-48, paragraph 48)

Based upon the FCC ruling, it is apparent that an ILEC's security arrangement that includes electronic monitoring systems and computerized badges is adequate and provides "reasonable security measures" that would protect the ILEC's "networks and equipment from harm." Accordingly, the FCC warned that "the incumbent LEC may not impose discriminatory security requirements that result in increased collocation costs without the concomitant benefit of providing necessary protection of the incumbent LEC's equipment," and found that "alternative security measures, like those outlined above, adequately protect incumbent LEC networks..."(FCC 99-48, paragraphs 47, 49)

Issue 38: *Is BellSouth required to provide Supra with nondiscriminatory access to the same databases, so that Supra performs the same functions as BellSouth?*

Q. WHAT IS SUPRA'S POSITION ON THIS ISSUE?

A. Please see the discussion regarding Parity Provisions *supra*. Furthermore, as BellSouth has refused to provide Supra with any information regarding its network, Supra is unsure as to whether it has provided a complete response in support of its position. Should it be found that Supra is entitled to additional information, and, should

Supra discover relevant information as a result, Supra requests the right to supplement the record on this issue.

Issue 44. A. *What are the appropriate criteria under which rates, terms and conditions may be adopted from other filed and approved Interconnection Agreements?*

B. *What should be the effective date of such an adoption?*

Q. WHAT IS SUPRA'S POSITION ON THIS ISSUE?

A. Supra should be entitled to adopt any single rate, term or condition from other filed and approved interconnection agreements. Under the Current Agreement, Supra has made numerous requests to adopt single rates, terms or conditions from other filed and approved interconnection agreements. In virtually every circumstance, BellSouth has refused such an adoption without incorporating additional rates, terms or conditions in a proposed amendment. Often times, BellSouth will propose such additional rates, terms or conditions which have nothing to do with the adopted language which Supra originally sought. In other circumstances, BellSouth has refused such an adoption unless Supra adopted the entire attachment from which the single rate, term or condition was pulled. These BellSouth practices have served to make the FCC's "pick and choose" rule meaningless. AT&T v. Iowa Utilities Board, 525 U.S. 366 (1999). According to the Supreme Court of the United States, Supra can pick and choose which terms it wishes to adopt, and need not adopt an entire agreement in order to get the terms it wishes.

Q. SHOULD THE FOLLOW-ON AGREEMENT REFLECT THE SUPREME COURT'S "PICK AND CHOOSE" RULING IN AT&T V. IOWA UTILITIES BOARD?

A. Yes. Currently this is the law of the land. A provision must be inserted in the Follow-On Agreement to reflect the ruling of the Supreme Court to permit Supra to substitute more favorable rates, terms and conditions effective as of the date of Supra's request.

Q. WHAT SHOULD BE THE EFFECTIVE DATE OF SUCH AN ADOPTION OR SUBSTITUTION?

A. The date of Adoption should be retroactive to the date Supra first requested the affected service, items, elements, conditions, or obligations. As the rate, term or condition has already been filed and approved by the Commission, there is no reason to delay the effective date of the adoption. Supra understands that the Commission must approve all adoptions to an interconnection agreement. However, any delay in the effective date of the adoption will serve to benefit only one party – BellSouth. If the Commission sets a time frame for BellSouth to refuse or accept a request for adoption, BellSouth assuredly will use the full time allotted before taking action. If the Commission makes the effective date retroactive to the date of the request, BellSouth will no longer have an incentive to delay the process. As the Award indicates, BellSouth will abuse its former monopoly status. If there is one thing that must be taken from this Award, it is that an ILEC must have an incentive to comply with the Act, federal and state rules and orders, and its agreements.

Issue 46: *Is BellSouth required to provide Supra with the capability to submit orders electronically for all wholesale services and elements?*

Q. WHAT IS SUPRA'S POSITION ON THIS ISSUE?

A. Please see the discussion regarding Parity Provisions supra. Furthermore, as BellSouth has refused to provide Supra with any information regarding its network, Supra is unsure as to whether it has provided a complete response in support of its position. Should it be found that Supra is entitled to additional information, and, should Supra discover relevant information as a result, Supra request the right to supplement the record on this issue.

Issue 47: *When, if at all, should BellSouth be allowed to manually intervene with an electronically submitted order?*

Q. WHAT IS SUPRA'S POSITION ON THIS ISSUE?

A. Please see the discussion regarding Parity Provisions supra. Furthermore, as BellSouth has refused to provide Supra with any information regarding its network, Supra is unsure as to whether it has provided a complete response in support of its position. Should it be found that Supra is entitled to additional information, and, should Supra discover relevant information as a result, Supra request the right to supplement the record on this issue.

Issue 51: *Should BellSouth be allowed to impose a manual ordering charge when it fails to provide an electronic interface?*

Q. WHAT IS SUPRA'S POSITION ON THIS ISSUE?

A. Please see the discussion regarding Parity Provisions *supra.* Furthermore, as BellSouth has refused to provide Supra with any information regarding its network, Supra is unsure as to whether it has provided a complete response in support of its position. Should it be found that Supra is entitled to additional information, and, should Supra discover relevant information as a result, Supra request the right to supplement the record on this issue.

Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

A. Manual ordering charges apply when Supra places an order manually, either for its own business reasons or because BellSouth does not have an electronic interface that will allow Supra to place orders electronically. BellSouth is not required to provide electronic ordering for all UNE's. BellSouth has proposed cost-based rates to recover the manual labor costs associated with both manual and electronic ordering in Docket No. 990649-TP. Recovery of costs associated with the development and ongoing maintenance of BellSouth's electronic interfaces is being addressed in a generic OSS interface cost docket. BellSouth proposes that the rates the Commission establishes in these dockets be incorporated into the Agreement. BellSouth has agreed to charge Supra electronic ordering charges for complete and accurate LSRs that Supra must submit manually when BellSouth's existing electronic interfaces utilized by Supra are unavailable for reasons other than scheduled maintenance, provided the down time does not occur outside the scheduled maintenance window or for other reasonable scheduled activities for which reasonable advance notification is provided by Bell South, and provided the activities do not occur outside the schedule window.

Q. WHAT IS SUPRA'S RESPONSE TO BELLSOUTH'S POSITION?

A. As BellSouth's own retail systems are automated BellSouth should not be allowed to impose a manual ordering charge where BellSouth does not provide an electronic means for ordering the product or service. If BellSouth were to provide Supra with non-discriminatory, direct access to the same OSS used by BellSouth's retail side, this issue would moot..

Q. SHOULD BELLSOUTH BE PERMITTED TO CHARGE SUPRA FOR MANUAL OSS PROCEESSING, WHEN BELLSOUTH'S OWN RETAIL SYSTEMS ARE AUTOMATED, AND WHEN BELLSOUTH DOES NOT MAKE ELECTRONIC OSS INTERFACES AVAILABLE TO ITS COMPETITORS?

A. No. This is, by definition, not based on forward-looking economic principles, and is unreasonable and discriminatory and thus violates the Act. If BellSouth uses electronic processes for its own OSS and does not provide electronic processes to its competitors to obtain what amounts to substantially the same elements or services, it is not providing parity. In its *First Report and Order,* FCC 96-325, In the matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, CC Docket No. 96-98, Released August 8, 1996 (the "Local Competition Order"), the FCC stated, at paragraph 523, that "(o)bviously, an incumbent that provisions network resources electronically does not discharge its obligations under section 251(c)(3) by offering competing providers access that involves human intervention." Certainly that access must be provided within the same time frames enjoyed by the incumbent. Additionally, Section 10.1 of Attachment 15 of the Current Agreement is a reservation of rights with respect to Supra's right to nondiscriminatory, access to BellSouth's OSS.

In fact, where BellSouth has an electronic means to place an order for a specific service or element, and where BellSouth does not make an electronic means available for Supra, Supra should not be charged anything, either an electronic or a manual charge. Furthermore, BellSouth should have to issue a credit to Supra for every manual LSR submitted by Supra as a result of BellSouth's failure to provide an electronic means to order the applicable service and/or element. This would provide BellSouth with plenty of incentive to make the electronic ordering system available as well as to comply with its contractual and parity obligations. Please see the discussion regarding Parity Provisions *supra*.

Q. ARE THERE PUBLIC POLICY REASONS WHY BELLSOUTH SHOULD NOT BE ABLE TO CHARGE SUPRA FOR MANUAL OSS WHEN IT PROVIDES ELECTRONIC OSS TO ITSELF?

A. Yes. BellSouth should not be encouraged to use inefficient, costly systems to serve Supra when it provides substantially the same elements or services to its own customers using electronic processes. Indeed, BellSouth should be strongly encouraged to do just the opposite.

Q. CURRENTLY, ARE THERE CERTAIN SERVICES FOR WHICH SUPRA MUST SUBMIT MANUAL ORDERS?

A. Yes. The following are examples of services for which Supra must submit manual LSRs: (1) Off Premise Extensions; (2) T-1; (3) PR1; (4) BR1; (5) Megalink; (6)

Frame Relay; (7); Trunks; (8) Essex; (9) Foreign Exchange; (10) Foreign Central Office; (11) PBX; (12) Centrex; and, (13) virtually all other complex services.

Q. WHERE BELLSOUTH HAS PROVIDED SUPRA WITH ELECTRONIC INTERFACES, AND THE INTERFACES ARE NOT FUNCTIONING, SHOULD AN ELECTRONIC OR MANUAL ORDERING CHARGE APPLY?

A. If, at the time the LSR is submitted, the electronic interfaces provided by BellSouth are not functioning through no fault of Supra, then no charge should apply, as Supra would be forced to use the slower, more costly (to Supra) manual ordering process. In fact, BellSouth should have to provide Supra a credit as compensation for Supra's waste of additional time.

Q. WHERE BELLSOUTH HAS PROVIDED, AND SUPRA HAS IN PLACE ELECTRONIC INTERFACES, AND THE INTERFACES ARE NOT FUNCTIONING THROUGH NO FAULT OF SUPRA, SHOULD SUPRA RECEIVE SOME TYPE OF COMPENSATION AS A RESULT OF THIS DOWNTIME?

A. Yes. I believe Supra should receive some type of credit that should be established by the Commission. After all, Supra incurs an additional cost in manpower as a result of BellSouth's non-compliance. Please see the discussion regarding Parity Provisions *supra*.

Q. HAS SUPRA PROPOSED ANY LANGUAGE IN CONNECTION WITH THIS ISSUE?

A. Yes. Supra has proposed the following language, assuming Supra does not have the ability to submit orders as does BellSouth's retail departments:

> LSRs submitted by means of an electronic interface will incur the per LSR nonrecurring OSS electronic ordering charge associated with electronically ordered facilities as specified in _____. Provided that the electronic interface which performs the submission of the LSR is functioning. LSRs submitted by means other than the electronic interface which performs the submission of the LSR (mail, fax, courier, etc.), while said interface is functioning, will incur a nonrecurring manual ordering charges associated with manually ordered facilities as specified in _____. An individual LSR will be identified for billing purposes by its Purchase Order Number (PON). If the applicable electronic interface is not available or not functioning at the time when the LSR is submitted, the manual ordering nonrecurring charge does not apply. In such cases, BellSouth will provide Supra with a credit of $___ per manually submitted LSR. Each LSR and all its supplements or clarifications issued, regardless of their number, will count as a single LSR for nonrecurring charge billing purposes. Nonrecurring charges will not be refunded for LSRs that are canceled by Supra Telecom.

Issue 52: *Should the resale discount apply to all telecommunications services BellSouth provides to end users, regardless of the tariff in which the service is contained?*

Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

A. BellSouth is only obligated by Section 251 (c)(4) of the 1996 Act and the FCC's Rule 51.605 (a) to offer a resale discount on telecommunications service that BellSouth

provides at retail to subscribers who are not telecommunications carriers. Exchange access services are generally not offered at retail to subscribers who are not telecommunications carriers. Consequently, the resale discount does not apply to services in the access tariffs.

Q. HAS THE COMMISSION ADDRESSED AND ISSUED AN ORDER ON THIS ISSUE?

A. Yes. The Commission on page 29 of its Order dated March 30, 2001, (Order No. PSC-01-0824-FOF-TP)(Docket No. 000649-TP) concerning the follow-on interconnection agreement between BellSouth and MCI, held that "...BellSouth shall offer Worldcom a resale discount on all retail telecommunications services BellSouth provides to end-user customers, regardless of the tariff in which the service is contained." Notwithstanding that this issue has been resolved, I would like to address this issue in greater detail.

Q. WHAT CONTRACT LANGUAGE HAS SUPRA PROPOSED CONCERNING THE SERVICES BELLSOUTH MUST PROVIDE ON A RESALE BASIS?

A. Supra has proposed the following language :

> Local Resale shall include all Telecommunications Services offered by BellSouth to parties other than telecommunications carriers, regardless of the particular tariff or other method by which such Telecommunications Services are offered. For example, Local Resale shall include Telecommunications Services offered in BellSouth's access tariffs and made available to parties other than telecommunications carriers, regardless of whether or not such Telecommunications Services are offered in other tariffs, too. Local Resale shall be subject only to the limitations and restrictions set forth in this Agreement.

Q. WHAT IS SUPRA'S POSITION ON THIS ISSUE?

A. Offering a retail service under a tariff other than the private line or GSST tariffs does not preclude a company from the wholesale discount.

Q: WHAT DOES THE ACT AND FCC RULES REQUIRE CONCERNING SERVICES THAT MUST BE PROVIDED ON A RESALE BASIS?

A. The Act requires BellSouth "not to prohibit, and not to impose unreasonable or discriminatory conditions or limitations on, the resale of its telecommunications services." 47 USC Section 251 (b)(1). BellSouth is required to "offer to any requesting telecommunications carrier any telecommunications service that [BellSouth] offers on a retail basis to subscribers that are not telecommunications carriers for resale at wholesale rates." 47 C.F.R. Section 51.605 (a).

Q. DOES BELLSOUTH'S POSITION COMPLY WITH THOSE PROVISIONS?

A. No. BellSouth seeks to discriminate against Supra by denying it the right to resell services included in BellSouth's Federal and State Access Tariffs, even when BellSouth offers those services to end users. Thus, under BellSouth's position it would be free to include retail services in its access tariffs and offer such services to its end users, while prohibiting Supra from reselling those services at prices that would enable it to compete with BellSouth. Such a result would not be consistent with the requirements of the Act.

Issue 55: *Should BellSouth be required to provide an application-to-application access service order inquiry process?*

Q. WHAT IS SUPRA'S POSITION ON THIS ISSUE?

A. Please see the discussion regarding Parity Provisions *supra*. Furthermore, as BellSouth has refused to provide Supra with any information regarding its network, Supra is unsure as to whether it has provided a complete response in support of its position. Should it be found that Supra is entitled to additional information, and, should Supra discover relevant information as a result, Supra request the right to supplement the record on this issue.

Q. WHAT DO YOU UNDERSTAND BELLSOUTH'S POSITION TO BE IN REGARD TO THIS ISSUE?

A. Supra's claim that it needs the Access Service Request ("ASR") interface to obtain pre-order information electronically for UNEs ordered via access service request is wrong. The national standard for ordering UNEs is the Local Service Request ("LSR"), not the ASR. BellSouth contends that it provides electronic pre-ordering functionality for UNEs and resale services via the Local Exchange Navigation System ("LENS"), Robo TAG, and TAG interfaces. Thus, the electronic pre-ordering functionality that Supra seeks is available through the LSR process.

Q. WHAT IS SUPRA'S RESPONSE TO BELLSOUTH'S POSITION?

A. BellSouth should provide Supra with nondiscriminatory, direct access to the same OSS that BellSouth's retail divisions use to obtain pre-order information

electronically for UNEs or services ordered via ASR. In the alternative, BellSouth should develop an application-to-application electronic interface to process service inquiries (pre-ordering) for its ASR. Such a process is required to obtain pre-order information electronically for UNEs ordered via an ASR.

Q. WHAT LANGUAGE HAS SUPRA PROPOSED CONCERNING AN APPLICATION-TO-APPLICATION ACCESS SERVICE ORDER INQUIRY INTERFACE?

A. Assuming Supra does not have direct access to the same OSS that BellSouth retail has, Supra has proposed the following language:

> In addition, at Supra's request, BellSouth shall design, develop, implement, test, and maintain an Application-to-Application access service order inquiry interface.
>
> BellSouth shall provide the following transaction sets for access order inquiry:
>
> Service Address Validation - - G1.0. This function allows Supra to query BellSouth's systems for address validation using CUST PREM, working ECCKT, CLLI code. BellSouth shall respond with found, not found, alternatives, or restricted. BellSouth shall provide SWC/LSO and/or address, when appropriate. If ATIS/OBF adopts the US Postal Publication 28 Standard for Service Address, BellSouth and Supra will base their Access Inquiry implementation on that standard.
>
> Service Availability - - G2.0: This function allows Supra to determine service availability or validate the earliest date of product service availability requested between two (2) SWC locations.
>
> CFA (Channel Facility Assignment) Inquiry – G3.0. This function allows Supra to query the current status of facility channels or slots.

Issue 57: *Should BellSouth be required to provide downloads of RSAG, LFACS, PSIMS and PIC databases without license agreements and without charge?*

Q. WHAT IS SUPRA'S POSITION ON THIS ISSUE?

A. Please see the discussion regarding Parity Provisions *supra*. Furthermore, as BellSouth has refused to provide Supra with any information regarding its network, Supra is unsure as to whether it has provided a complete response in support of its position. Should it be found that Supra is entitled to additional information, and, should Supra discover relevant information as a result, Supra request the right to supplement the record on this issue.

Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

A. BellSouth provides Supra access to the RSAG database on a per transaction basis, through the LENS, TAG, and Robo TAG pre-ordering interfaces. Since the RSAG is updated nightly, Supra has real-time access to this database. A download of RSAG is unnecessary for Supra to provide local service to its end users and BellSouth should not be required to provide downloads of RSAG without a charge and without a license agreement since Supra has real-time access to RSAG through BellSouth's robust electronic interfaces. BellSouth will, upon request, provide a flat file extraction of the P/SIMS, which also includes PIC information, for all nine states on a monthly basis and Supra should submit the request for these downloads via its BellSouth account team. Moreover, if Supra is referring to BellSouth's plat records that are stored electronically for its eastern states which includes Florida, BellSouth will not provide a download of PLAT information as this information is considered to be proprietary, with no legitimate business reason for obtaining this download.

Q. WHAT IS SUPRA'S RESPONSE TO BELLSOUTH'S POSITION?

A. First, Supra should be provided with nondiscriminatory, direct access to these databases that BellSouth's retail departments enjoy. Anything less is discriminatory. There is no legitimate business reason why Supra should be provided with a different access. When the CLEC pre-ordering interfaces are malfunctioning, Supra presently has no way to access any of the relevant databases. When BellSouth's internal OSS is malfunctioning, BellSouth retail departments have direct access to these databases. Supra should have the same. BellSouth is failing to provide parity in accordance with the Act and should be required to provide downloads of the relevant databases as this would allow Supra to operate, albeit in a limited fashion, when the interfaces are down. Additionally, BellSouth's substitution of PLATS for LFACS is an attempt to mislead the Commission as to the actual substance of this issue.

Issue 59: *Should Supra be required to pay for expedited service when Bellsouth provides services after the offered expedited date, but prior to Bellsouth's standard interval?*

Q. WHAT IS SUPRA'S POSITION ON THIS ISSUE?

A. Please see the discussion regarding Parity Provisions *supra*. Furthermore, as BellSouth has refused to provide Supra with any information regarding its network, Supra is unsure as to whether it has provided a complete response in support of its position. Should it be found that Supra is entitled to additional information, and, should Supra discover relevant information as a result, Supra request the right to supplement the record on this issue.

Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

A. BellSouth asserts that it is under no obligation to expedite service for Supra or any other ALEC. If BellSouth does so, however, Supra should be required to pay expedite charges when BellSouth expedites a service request and completes the order before the standard interval expires.

Q. WHAT IS SUPRA'S RESPONSE TO BELLSOUTH'S POSITION?

A. There is nothing which leads Supra to believe that its requests for expedited service are any different than BellSouth's requests. If BellSouth is able to expedite orders for its customers, it must also do so for Supra's customers, when requested and where reasonable. There is nothing which suggests that BellSouth's expedited orders cost any more than BellSouth's "standard" orders. As such, BellSouth is merely trying to increase Supra's cost of competing with BellSouth. BellSouth should not receive additional payment when it fails to perform in accordance with the specified expedited time frame. In fact, BellSouth should have to give Supra a credit in the instances where it fails to comply with its obligations.

Issue 60: *When BellSouth rejects or clarifies a Supra LSR or order, should BellSouth be required to identify all errors in the LSR or order that would cause it to be rejected or clarified?*

Q. WHAT IS SUPRA'S POSITION ON THIS ISSUE?

A. Please see the discussion regarding Parity Provisions *supra*. Furthermore, as BellSouth has refused to provide Supra with any information regarding its network, Supra is unsure as to whether it has provided a complete response in support of its

position. Should it be found that Supra is entitled to additional information, and, should Supra discover relevant information as a result, Supra request the right to supplement the record on this issue.

Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

A. BellSouth contends that it is the responsibility of Supra to submit complete and accurate LSRs such that rejections and/or clarifications are not necessary. Additionally, the type and severity of certain errors may prevent some LSRs from being processed further once the error is discovered by BellSouth's system. Without first correcting the error in question and then resubmitting for further processing, other errors on the LSR cannot be identified.

Q. WHAT IS SUPRA'S RESPONSE TO BELLSOUTH'S POSITION?

A. Identifying all errors in the LSR or order will prevent the need for submitting the LSR or order multiple times. For example, there is a field on some LSRs or orders that contains four alphanumeric characters. Each character means something different to the circuit configuration and although the characters could have been setup as four separate fields, they were not. If there is an error in this four-character field, BellSouth refuses to identify which field contains the error. As BellSouth's OSS notifies itself of ordering errors, through its real-time, edit-checking capabilities, its failure to provide Supra with similar notification fails to achieve parity in accordance with the Act and the Current Agreement.

Additionally, if any LSR or order has been clarified, BellSouth should be required to immediately notify Supra of this fact. There have been numerous instances where

Supra has had to track LSRs or orders in order to obtain clarifications. Although the clarifications are resulting from BellSouth's internal errors, BellSouth nevertheless fails to notify Supra of the clarifications and if not for Supra's repeated efforts to obtain this information, BellSouth will allow the LSR or order to sit until purged by its system, thus denying Florida consumers from converting their service to Supra and enjoying dramatic savings over BellSouth's service. Another example of BellSouth's hinderance of competition and its resulting impact on Florida consumers.

Q. WHAT LANGUAGE HAS SUPRA PROPOSED CONCERNING THIS ISSUE?

A. Assuming Supra does not have direct access to BellSouth's retail OSS, Supra has proposed the following language:

> BellSouth shall reject and return to Supra any service request or service order that BellSouth cannot provision, due to technical reasons, or for missing, inaccurate or illegible information. When a LSR or order is rejected, BellSouth shall, in its reject notification, specifically describe all of the reasons for which the LSR or order was rejected. BellSouth shall review the entire LSR or order, and shall identify all reasons for rejection in a single review of the current version (e.g., ver 00, 01, etc.) of the LSR.

The foregoing language is similar to the language that was incorporated in the Interconnection Agreement entered into between BellSouth and MCI and is similar to the language agreed upon by BellSouth and MCI in their follow-up Interconnection Agreement, which is currently being negotiated.

Issue 61: *Should BellSouth be allowed to drop a LSR or order after ten days (or any other time period), when the LSR or order has been accepted by the front-end ordering system (such as LENS) but sent back into clarification by BellSouth?*

Alternatively, if BellSouth drops any LSR or order, should it be required to notify Supra the same day of the drop?

Q. WHAT IS SUPRA'S POSITION ON THIS ISSUE?

A. Please see the discussion regarding Parity Provisions *supra*. Furthermore, as BellSouth has refused to provide Supra with any information regarding its network, Supra is unsure as to whether it has provided a complete response in support of its position. Should it be found that Supra is entitled to additional information, and, should Supra discover relevant information as a result, Supra request the right to supplement the record on this issue.

Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

A. BellSouth will return any LSR to Supra when incomplete, incorrect or conflicting information results in BellSouth's inability to issue the orders as requested on the LSR. According to BellSouth, "BellSouth Business Rules" have established a maximum of ten (10) business days to respond to the request for clarification by submitting a supplemental LSR. Ten days is ample time for an efficient ALEC operation to resolve clarifications returned by BellSouth. Orders unresolved beyond ten business days, that are canceled by BellSouth's system, may be resubmitted as a new service request and the provisioning time will essentially be the same as having supplemented the original LSR with correct information. In the event Supra does not respond to a request for clarification within ten business days of notification, BellSouth will not provide additional notification to Supra prior to canceling the LSR. Pursuant to BellSouth, Supra has the primary responsibility to its end-user and is therefore responsible for the overall ordering and tracking of its service requests.

Q. WHAT IS SUPRA'S RESPONSE TO BELLSOUTH'S POSITION?

A. BellSouth should not be allowed to purge LSRs or orders when the LSR or order passes through the front-end ordering interface (such as LENS). Once a LSR or order has been accepted, BellSouth should not be allowed to skirt its responsibility to complete the LSRs or orders simply by letting them sit until purged. Upon acceptance, completion of the LSR or order is the responsibility of BellSouth and such LSRs or orders should remain on BellSouth's system until their personnel resolve the clarification problems. Alternatively, if any LSRs or orders are dropped, BellSouth should be under an obligation to affirmatively notify Supra (electronically or in writing) within twenty-four (24) hours of the LSR or order being dropped.

Of course, if Supra were provide with nondiscriminatory, direct access to BellSouth's retail OSS, this would be a moot issue. BellSouth does not purge its own retail orders after 10 days. To purge Supra's LSRs or orders after 10 days is discriminatory, and should not be allowed.

Issue 62. *For purposes of the Follow-On Agreement between Supra and BellSouth, should BellSouth be required to provide completion notices for manual LSRs or orders?*

Q. WHAT IS SUPRA'S POSITION ON THIS ISSUE?

A. Please see the discussion regarding Parity Provisions *supra*. Furthermore, as BellSouth has refused to provide Supra with any information regarding its network, Supra is unsure as to whether it has provided a complete response in support of its

position. Should it be found that Supra is entitled to additional information, and, should Supra discover relevant information as a result, Supra request the right to supplement the record on this issue.

Q. WHAT LANGUAGE HAS SUPRA PROPOSED CONCERNING BELLSOUTH'S PROVISION OF COMPLETION NOTICES FOR MANUAL LSRS OR ORDERS?

A. Supra has developed the following language:

> Completion Notification. Upon completion of a local service request or service order submitted electronically, BellSouth shall submit to Supra via the same electronic interface used to submit the LSR or order, a LSR or order completion notification that complies with the OBF/LSOG business rules and ATIS models, as modified by the CCP. For manual LSRs or orders, the completion notification shall be sent manually to the Supra ordering center designated on the LSR or order.

Q. WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?

A. While BellSouth cannot provide the same kind of completion notification to Supra as when the order is submitted electronically, BellSouth does provide information regarding the status of an order, including completion of the order, through its CLEC Service Order Tracking System ("CSOTS").

Q. WHAT IS SUPRA'S RESPONSE TO BELLSOUTH'S POSITION?

A. A completion notice notifies Supra that BellSouth has provisioned a LSR or order and that the customer has been switched over from BellSouth to Supra. Without a completion notice, Supra cannot accurately and efficiently know whether or when BellSouth has switched over service for a Supra customer. Supra must have knowledge of the date that it begins providing service to the customer so Supra can bill

the customer correctly and provide maintenance and repair services. Providing Supra with a FOC (Firm Order Commitment) and failing to provide service on the date requested coupled with a lack of notice, can only lead to a number of billing issues, including the potential of double-billing customers. Additionally, as Supra's prices to its customers are dramatically lower than BellSouth's, any delay in the conversion is to the detriment of the Florida consumer. The result of this double billing is to harm Supra's reputation and its ability to generate revenue. Moreover, since BellSouth service technicians report all completions to BellSouth for correct billing purposes, BellSouth is clearly failing to provide Supra with OSS parity on this issue. Similarly, since Supra is forced to submit manual LSRs or orders, BellSouth should be required to submit completion notices when Supra does so.

Q. DOES BELLSOUTH'S CLEC SERVICE ORDER TRACKING SYSTEM ("CSOTS") PROVIDE A SATISFACTORY ALTERNATIVE TO ACTUAL COMPLETION NOTICES?

A. No. Although providing completion notification via CSOTS might be convenient for BellSouth, it is costly and inefficient for Supra. Supra's representatives would be required to monitor CSOTs on a regular basis for completion indications (with the attendant errors that would flow from using such a process). A process in which BellSouth provides an electronic or manual completion notice as directed on Supra's LSR or order would be simpler and result in few errors and therefore fewer problems for Florida consumers and both parties. BellSouth should therefore be required to provide completion notices for manual LSRs or orders.

Issue 65: *For purposes of the Follow-On Agreement between Supra and BellSouth, should the parties be liable in damages, without a liability cap, to one another for their failure to honor one or more material respects of one or more of the material provisions of the Follow-On Agreement?*

Issue 66: *Should Supra be able to obtain specific performance as a remedy for BellSouth's breach of contract?*

Added Issue: *Should the Follow-On Agreement provide for punitive damages where the parties are found to have acted in a grossly negligent, malicious or otherwise willful manner?*

Q. WHICH OF THE DISPUTED ISSUES ADDRESSES THE REMEDIES AVAILABLE TO A PARTY IN THE EVENT OF A PARTY'S NON-COMPLIANCE WITH THE PROVISIONS CONTAINED IN THE FOLLOW-ON AGREEMENT?

A. Issues sixty-five (65), sixty-six (66) and the added issue set forth above, address remedies available to a party in the event of a party's non-compliance with the provisions contained in the Follow-On Agreement.

Q. WHAT IS SUPRA'S POSITION REGARDING REMEDIES AND LIMITATIONS OF LIABLITY?

A. Supra believes that the Follow-On Agreement should not contain any limitation of liability, unless the limitation contains specific, unambiguous exceptions. Basically, Supra's position is one of all or nothing – either there is a limitation of liability section with exceptions as set forth by Supra, or there should be no limitation of liability section.

Furthermore, as Supra has been confronted with specific instances of BellSouth's bad faith intent to harm Supra, Supra believes that, absent significant penalties for intentional and willful non-compliance, or gross negligence, BellSouth will find it financially beneficial not to comply with the Act as well as its many contractual terms. Therefore, Supra seeks provisions which would allow it to recover punitive damages, or, in the alternative, that Supra be entitled to liquidated damages should BellSouth refuse to comply with its obligations.

Q. HAS SUPRA PROPOSED ANY LANGUAGE IN REFERENCE TO ISSUES SIXTY-FIVE (65), SIXTY-SIX (66) AND THE ADDED ISSUE?

A. Yes. Supra has proposed the following language for issues sixty-five (65), sixty-six (66), and the added issue, respectively:

10.4 **Consequential Damages.**

NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE PROVISION OF SERVICE HEREUNDER. **NOTWITHSTANDING THE FOREGOING LIMITATION, A PARTY'S LIABILITY SHALL NOT BE LIMITED BY THE PROVISIONS OF THIS SECTION 10 OR ANY OTHER PROVISIONS OF THIS AGREEMENT IN THE EVENT OF ITS WILLFUL OR INTENTIONAL MISCONDUCT, INCLUDING GROSS NEGLIGENCE, OR CLAIMS FOR DAMAGES BY ANY PARTY RESULTING FROM THE FAILURE OF EITHER PARTY TO HONOR IN ONE OR MORE MATERIAL RESPECTS ANY ONE OR MORE OF THE MATERIAL PROVISIONS OF THIS AGREEMENT.** A PARTY'S LIABILITY SHALL NOT BE LIMITED TO ITS INDEMNIFICATION OBLIGATIONS.

10.4.1 **Specific Performance.**

Nothing in this agreement shall prevent any party from obtaining specific performance of any term, rate or condition contained in this Agreement.

10.4.2 **Punitive Damages.**

Should either party be found to have acted in a grossly negligent, malicious or otherwise willful manner, the other party may recover punitive damages.

Q. WHAT IS SUPRA'S POSITION ON THESE ISSUES?

A. The language Supra has proposed is not only reciprocal and commercially reasonable, it provides proper incentive for BellSouth to comply with the provisions of the Agreement and should be adopted. In connection with issue sixty-five (65), the Current Agreement contained language similar to Supra's proposed language with the noted exception of Supra's desired addition of an exception to the limitation of liability section for material breach. Without an exception to the liability cap for material breaches, BellSouth would have an incentive to breach the contract when the benefit to BellSouth exceeded its possible liability. This same logic applies to the inclusion of the "specific performance" and "punitive damages" provisions referenced herein as these serve as a deterrent to BellSouth from failing to abide by the terms of the Follow-On Agreement or otherwise from committing egregious acts when the benefit to BellSouth exceeds its potential liability.

Q. WHAT DO YOU BELIEVE IS THE POSITION TAKEN BY BELLSOUTH IN CONNECTION WITH THESE ISSUES?

A. My understanding is that BellSouth believes that the limitation of liability and specific performance provisions are not an appropriate subject for arbitration under Sections 251 and/or 252 of the Act. Moreover, it is BellSouth's position that each party's liability arising from any breach of contract should be limited to a credit for the actual cost of the services or functions not performed or performed improperly.

Q. DO YOU AGREE WITH BELLSOUTH'S POSITION?

A. No. The Commission (acting as an arbitrator under the Act) is the appropriate forum for the resolution of these unresolved issues. In fact, in his recent order, Judge Hinkle in WORLDCOM TELECOMMUNICATION CORP. v. BELLSOUTH TELECOMMUNICATIONS, INC., Order On the Merits, issued June 6th, 2000 in case no. 4:97cb141-RH, ruled that the Commission is required to address every "open issue" presented to it for arbitration. The Commission in its Order No. PSC-01-0824-FOF-TP in regards to the Arbitration of a follow-on agreement between MCI and BellSouth dated March 30, 2001, (Docket No. 000649-TP at pages 173-174 and 178) specifically found that the liability and specific performance provisions at issue here were such "open issues" thus imposing upon the Commission the authority and obligation to arbitrate these pending matters.

Q. HAS THE COMMISSION ADDRESSED THE ISSUE OF INCLUDING A LIMITATION OF LIABILITY AND/OR SPECIFIC PERFORMANCE PROVISION IN DOCKET No. 000649-TP?

A. Yes. In that case, the Commission found that pursuant to Section 252 (c) of the Act, a state commission in resolving any open issue and imposing conditions upon the parties to the agreement, shall ensure that the resolution and conditions meet the requirements of Section 251.

Although the Commission therein found, based upon record evidence, that the "specific performance" and "liquidated provisions" were not necessary to implement the requirements of Sections 251 or 252 of the Act, based upon the analysis set forth herein

as well as the findings in the Award, the language proposed by Supra should be included in the Follow-On Agreement.

If the Commission were to find that such provisions do not meet the requirements of Section 251 or 252 of the Act, then Supra requests that there be no mention of a limitation of liability or any limitation of remedies.

Q WHAT SPECIFIC RELIEF IS SOUGHT BY SUPRA?

A: Supra requests the following relief:

(a) To mediate this arbitration proceeding pursuant to § 252 (a)(2) of the Communications Act of 1934, as amended by the 1996 Act (codified at 47 U.S.C § 201, *et seq.*);

(b) Ordering BellSouth to immediately tender information responsive to Supra's requests;

(c) Finding that BellSouth acted in Bad Faith with the intent to inflict harm on Supra;

(d) Finding that the parties' should begin the negotiations of the follow-on agreement from the parties' current agreement;

(e) Finding that the follow-on agreement should include the Award and Orders of the Arbitral Tribunal;

(f) Finding that Supra is entitled to supplement the record after receipt of information regarding BellSouth's network

(g) For all such further relief as is deemed equitable and just.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does at this time.

Olukayode A. Ramos

STATE OF FLORIDA)
) SS:
COUNTY OF MIAMI-DADE)

The execution of the foregoing instrument was acknowledged before me this _____ day of July, 2001, by Olukayode A. Ramos, who [] is personally known to me or who [] produced _____ as identification and who did take an oath.

My Commission Expires:

ESTHER A. SUNDAY
Notary Public - State of Florida
My Commission Expires Jun 6, 2004
Commission # CC943255

NOTARY PUBLIC
State of Florida at Large

Print Name:

CERTIFICATE OF SERVICE
FPSC Docket No. 001305

I HEREBY CERTIFY that a true and correct copy of the forgoing was served by U.S. Mail this 27th day of July, 2001 to the following:

Nancy B. White, Esq.
Museum Tower
150 West Flagler Street, Suite 1910
Miami, Florida 33130

Douglas R. Lackey, Esq.
Phillip J. Caver, Esq.
BellSouth Center, Suite 4300
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375

SUPRA TELECOMMUNICATIONS
& INFORMATION SYSTEMS, INC.
2620 S.W. 27th Avenue
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Telephone: (3050 476-4248
Facsmile: (305) 443-1078

By: _____
BRIAN CHAIKEN

NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

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ftp.fcc.gov

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC. 515 F 2d 385 (D.C. Circ 1974).

FOR IMMEDIATE RELEASE
December 21, 2000

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

FCC Releases Study on Telephone Trends

Washington, D.C. – Today, the Federal Communications Commission (FCC) released its bi-annual report, *Trends in Telephone Service*. The report provides answers to some of the most frequently asked questions about the telephone industry asked by consumers, members of Congress, other government agencies, telecommunications carriers, and members of the business and academic communities.

Highlights from sections in the report on advanced telecommunications services, international calling, local competition, long distance industry, telephone rates, subscribership, and toll-free numbers are shown below:

Advanced Telecommunications Services

- High-speed lines (over 200 kbps in at least one direction) connecting homes and small businesses to the Internet increased by 57% during the first half of 2000, to a total of 4.3 million lines (or wireless channels) in service from 2.8 million at the end of 1999.
- About 2.8 million high-speed lines provided speeds of over 200 kbps in both directions, and thus met the Commission's definition of advanced services, compared to 2.0 million at the end of 1999.

International Calling

- The number of calls made from the United States to other countries increased from 200 million in 1980 to 5.2 billion in 1999.
- In 1999, Americans spent about $14.4 billion on international calls. On average, carriers billed $0.51 per minute for international calls in 1999, a decline of 50% in the per minute price since 1980.

Local Competition

- As of June 2000, Competitive Local Exchange Carriers (CLECs) provided 12.7 million (or 6.7%) of the approximately 192 million nationwide local telephone lines that were in service to end users as opposed to 8.3 million (or 4.4%) of nationwide local telephone lines at the end of 1999. This represents a 53% growth in CLEC market size during the first six months of this year.
- About one-third of CLEC end-user lines are served over "local loop" facilities that the CLECs own.

SUPRA

EXHIBIT: QAR 1

- Incumbent Local Exchange Carriers (ILECs) reported providing other carriers about 5.7 million lines on a resale basis, at mid-year 2000, compared to over 3 million unbundled network elements (UNE) loops.

Long Distance Industry

- Since divestiture, interstate-switched access minutes have nearly quadrupled to about 600 billion, and long distance carrier toll revenues have more than doubled from $39 billion to $99 billion.
- AT&T's share of interstate carrier toll revenues has decreased from 90% in 1984 to 41% in 1999; WorldCom's and Sprint's collective shares accounted for about 33% in 1999 and more than 700 smaller long distance carriers accounted for the remaining 26%.

Telephone Rates

- Local phone rates have remained steady during the last decade. The average monthly local residential charge for service was $19.87 in October 1999 as compared to $19.24 in 1990; for a business with a single phone line, the representative charge for service was $41.00 in October 1999 as compared to $41.21 in 1990.

Subscribership

- Twenty million households have been added to the nation's telephone system since November 1983. As of July 2000, 99.1 million households had telephone service.

Toll-Free Numbers

- There are currently four toll-free prefixes in use - 800, 888, 877, and 866 - with almost 24 million toll-free numbers assigned as of the end of November 2000. The next new code - 855 - is expected to be placed in service in 2001.

This report is available for reference in the FCC's Reference Information Center, Courtyard Level, 445 12th, S.W. Copies may be purchased by calling International Transcription Services, Inc. (ITS) at (202) 857-3800. The report can be downloaded [file names: TREND200.ZIP, TREND200.PDF] from the **FCC-State Link** Internet site at <http://www.fcc.gov/ccb/stats>.

-- FCC --

For further information, contact the Industry Analysis Division, Common Carrier Bureau, at (202) 418-0940, or for users of TTY equipment, call 202-418-0484.

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@BELLSOUTH

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BellSouth 2000 EPS Highlights Growth Areas

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- Normalized EPS increases 10% for year
- Data, wireless and international continue to boost revenues
- DSL customers increase over 60% in three months, exceeding target
- Domestic wireless revenues grow 33%
- Consolidated international revenues rise 26%

January 22, 2001

Atlanta, GA - With solid performance continuing in its growth areas of data, wireless and international, BellSouth Corporation (NYSE: BLS) reported earnings per share (EPS) of 59 cents in the fourth quarter of 2000, compared to reported EPS of 55 cents in the fourth quarter of 1999. For the year, reported EPS was $2.23 in 2000 compared to $1.80 in 1999.

Normalized for special items, EPS in the fourth quarter of 2000 was 57 cents compared to normalized EPS of 53 cents in the same quarter a year ago. For the year, normalized EPS was $2.20 in 2000, a 10 percent increase compared to $2.00 in 1999. (See "Special Items" below.) In addition to the special items, normalized EPS in the fourth quarter of 2000 reflected a three-cent reduction related to recently acquired wireless properties in Colombia. The full year reflected a five-cent reduction from Colombia. Without the impact of Columbia, EPS was 60 cents for the quarter and $2.25 for the year.

Revenues were $7.4 billion in the fourth quarter of 2000, adjusted to include BellSouth's 40 percent share of Cingular Wireless. This was a gain of 9.8 percent compared to the same three months of the previous year. Strong growth in data represented nearly one-third of revenue growth. For the year, revenues were $27.6 billion, including Cingular, up 9.3 percent compared to 1999. (Beginning in the fourth quarter of 2000, BellSouth's consolidated income statement no longer reflects revenues from domestic wireless. Net earnings from BellSouth's 40 percent share of Cingular are included in Other Income.)

"Our focus on data and wireless strategies continues to result in consistent growth," said Duane Ackerman, Chairman and CEO of BellSouth. "While we continue to grow, we have not lost sight of

what this business is really all about. It's about service. It's about succeeding one customer at a time. And it's about execution."

In data services, BellSouth is rapidly accelerating broadband deployment and finished 2000 with more than 215,000 customers for DSL high-speed Internet access, exceeding its target of 200,000. In the fourth quarter alone, the company added more than 81,000 DSL customers - an increase of 60.4 percent in three months. Total data revenues of $965 million in the fourth quarter increased 27 percent compared to the same quarter of 1999.

Domestic wireless revenues were $1.2 billion in the fourth quarter of 2000, adjusted to include BellSouth's 40 percent share of Cingular Wireless. This was a gain of 33.2 percent compared to BellSouth's domestic wireless revenues in the fourth quarter of 1999. Cingular, the nation's second largest wireless provider, ended the year with 19.7 million total customers.

In international, BellSouth added 561,000 wireless customers in the fourth quarter, bringing customers to more than 9.3 million on a proportionate basis, an annual growth rate of 58.9 percent. Consolidated international revenues climbed 25.9 percent, to $740 million in the fourth quarter of 2000 from $588 million in the same quarter of the previous year. BellSouth's mid-2000 acquisition in Colombia and the fourth quarter launch of wireless service in Guatemala boosted customer growth. Guatemala is the 11th market served by the company in Central and South America.

Special Items

In the fourth quarter of 2000, the difference between reported EPS of 59 cents and normalized EPS of 57 cents is the result of four special items:

Los Angeles cellular	15 cents	Gain
Pension settlements	12 cents	Gain
Restructuring	18 cents	Charge
Contract termination	7 cents	Charge

Los Angeles cellular - In connection with establishing Cingular Wireless's nationwide footprint, BellSouth exercised its option to redeem the 55.6% partnership interest of AT&T in AB Cellular Holding, LLC by distributing to AT&T the Los Angeles area cellular business. BellSouth then contributed to Cingular the remaining assets of AB Cellular - 100% of the Houston area cellular market; 87.35% of the Galveston, Texas, area market; and more than $1 billion cash.

Pension settlements - As required by accounting rules, BellSouth recognized income as a result of the number of employees in 2000 who elected a lump sum payment to settle their pension benefits.

Restructuring - These charges relate primarily to the previously

announced restructuring of BellSouth's consumer wireless video entertainment business.

Contract termination - BellSouth has settled previously disclosed litigation with a distributor of customer telephone equipment. BellSouth paid $200 million to the distributor for the termination of their existing agreement, and has entered into a new agreement with the distributor.

2001 Guidance

BellSouth reaffirmed its previous guidance for certain key financial and business metrics in 2001 as follows:

Earnings per share - 7-9% growth Total operating revenue-including Cingular - 9-11% growth Data Revenue - 30% growth (approx.) Capital expenditures - $5.5-6.0 billion DSL high-speed Internet customers - 600,000 at 12/31/01

About BellSouth Corporation

BellSouth Corporation is a Fortune 100 communications services company headquartered in Atlanta, GA, serving more than 44 million customers in the United States and 16 other countries.

Consistently recognized for customer satisfaction, BellSouth provides a full array of broadband data and e-commerce solutions to business customers, including Web hosting and other Internet services. In the residential market, BellSouth offers DSL high-speed Internet access, advanced voice features and other services. BellSouth also provides online and directory advertising services, including BellSouth® Real PagesSM.com.

BellSouth owns 40 percent of Cingular Wireless, the nation's second largest wireless company, which provides innovative wireless data and voice services.

Further information about BellSouth's fourth quarter earnings release can be accessed at the company's Investor Relations Web site at http://www.bellsouth.com/investor. The press release, earnings commentary summarizing highlights of the quarter and financial statements will be available on the BellSouth Web site starting today at 8 a.m. Eastern Time. In addition, the audio of the earnings commentary can be accessed by calling the BellSouth Investor Newsline at 404-523-0214, beginning today shortly after 8 a.m. Eastern Time and continuing through Friday, January 26.

###

In addition to historical information, this document contains forward-looking statements regarding events and financial trends. Factors that could affect future results and could cause actual results to differ materially from those expressed or implied in the forward-looking statements include: (i) a change in economic conditions in domestic or international markets where we operate

conditions in domestic or international markets where we operate or have material investments which would affect demand for our services; (ii) the intensity of competitive activity and its resulting impact on pricing strategies and new product offerings; and (iii) higher than anticipated cash requirements for investments, new business initiatives and acquisitions. The forward-looking information in this document is given as of this date only, and BellSouth assumes no duty to update this information.

If viewing this press release on the Internet, you may access the below listed information by selecting the applicable hyperlink.

Financial Statements
View (HTML Format)
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For more information contact:

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NOTE: For more information about BellSouth, visit the BellSouth Web page at http://www.bellsouth.com. Also, BellSouth news releases dating back one year are available by fax at no charge by calling 1-800-758-5804, ext. 095650 or write: for Atlanta releases 1155 Peachtree St., N.E.; Atlanta, Ga. 30309-3610 and for DC releases; 1133 21st St., N.W.; Suite 900; Washington, D.C. 20036.

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

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Email: sales@stis.com
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Date: June 22, 1998

Mr. Marcus B. Cathey
Sales Asst. Vice President
CLEC Interconnection sales
BellSouth Interconnection Services
9th Floor, 600 North 19th St.
Birmingham, AL 35203

Dear Marc,

UNBUNDLED NETWORK ELEMENTS

Further to our meeting dated June 8, 1998 on the above subject matter, Supra has compiled the following lists of Unbundled Network Elements that we wish to recombine into service offerings.

At this juncture, we will make several references to FCC Order 96-325 that is the Code of Federal Regulations 47 parts 40 to 69. It is very important to take cognizance of the latest FPSC Order No. PSC – 98 – 0810 – FOF – TP on UNES because without this order, BellSouth will still not agree to combine UNES and insist on collocation before ordering UNES. We requested for UNES in October 1997 and were turned down by BellSouth citing the Eight-Circuit ruling.

The FPSC Order No. PSC – 98 – 0810 – FOF – TP states that:

> We find that BellSouth's requirement that an ALEC must be collocated in order to receive access to UNEs is in conflict with the Eighth Circuit. As we have already noted, the court stated held that a requesting carrier may achieve the capability to provide telecommunications services completely through access to the unbundled elements of an incumbent LEC's network and has no obligation to own or control some portion of a telecommunications network before being able to purchase unbundled elements. Iowa Utilities Bd. I, 120 F.3d at 814. BellSouth's collocation proposal would impose on an ALEC seeking unbundled access the very obligation the court held to be inappropriate under the Act, i.e., to own or control some portion of the network.

SUPRA

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Nowhere in the Act or the FCC's rules and interconnection orders or the Eighth Circuit's opinions is there support for BellSouth's position that each network element ordered in sequence (in combination or for combining) by an ALEC must be physically disconnected from an ILEC's network, be connected to an ALEC's collocation facility, and then be re-connected to the ILEC's network. We believe that under the Eighth Circuit's opinion, collocation is only a choice for the ALEC, not a mandate, a choice typically to be selected when an ALEC wishes to interconnect its own facilities with those of the ILEC. Section 251 (c)(3) of the Act states that an incumbent local exchange carrier has:

> The duty to provide, to any requesting telecommunications carrier for the provision of a telecommunications service, non-discriminatory access to unbundled network elements on an unbundled basis at any technically feasible point ... An incumbent local exchange carrier shall provide such unbundled network elements in a manner that allows requesting carriers to combine such elements in order to provide such telecommunications service.

Based on the evidence in the record, we conclude that migration of an existing BellSouth end user means that the same network elements serving that end user must be provided "as is" without physical disconnection. However, this does not prohibit AT&T or MCIm from substituting one or more of its own UNEs in conjunction with the UNEs that currently serve the end user. We believe that if the AT&T and MCIm interconnection agreements did not prohibit BellSouth from disconnecting already combined network elements, migration of network elements would not occur because of the court's ruling that ILECs are not required to provide bundled access. Therefore, when AT&T or MCIm places an order for network elements, and those elements are currently combined, BellSouth is obligated to migrate those elements on an "as is" basis.

BellSouth currently charges $1.49 to perform a PIC (Presubscribed Interexchange Carrier) change. A PIC change is the process by which telecommunications end users switch long distance providers.

Commission Approved Nonrecurring Charges for the Migration of an Existing BellSouth Customer Without Loop and Port Separation

We have found that BellSouth's NRC study does not address migration. MCIm's NRC study is based on today's technology. AT&T's NRC study is based on totally forward-looking, best-available technology. Based on the evidence in the record, we

find it appropriate to base our approval of NRCs for the loop and port combinations in issue on today's technology.

Commission-Approved
Non-recurring Charges
for
Loop and Port Combinations

Network Element Combination	First Installation	Additional Installations
2-wire analog loop and port	$1.4596	$0.9335
2-wire ISDN loop and port	$3.0167	$2.4906
4-wire analog loop and port	$1.4596	$0.9335
4-wire DS1 loop and port	$1.9995	$1.2210

Comments: We hope you understand the implications of the above in all its ramifications. We request that you abide by the rules moving forward and those rules are very clearly stated in the TA and the Order 96-325.

Code of Federal Regulations 47 parts 40 to 69 reads as follows:

§ 51.301: 8 (i): refusal by an incumbent LEC to furnish information about its network that a requesting telecommunications carrier reasonably requires to identify the network elements that it needs in order to serve a particular customer;

Comments: Supra needs all the necessary information about BellSouth's network to facilitate the ordering of singular and combined UNES effectively. This is absolutely crucial to the success of this process.

§ 51.307: (a) to (d)

Comments: Supra will not accept any excuse for refusing us UNES at any point or at any place.

§ 51.309: (a): An incumbent LEC shall not impose limitations, restrictions, or requirements on requests for, or the use of, unbundled network elements that would impair the ability of a requesting telecommunications carrier to offer a telecommunications service in the manner the requesting telecommunications carrier intends.

Comments: Please read in conjunction with **§ 51.301, § 51.307 and § 51.503 (c).** Ensure that the 4 wire and 2 wire loops possess DS1 and ISDN service capabilities as we intend to use 2 and 4 wire loops for the provision of ISDN and Digital type services.

§ 51.309: (b): A telecommunications carrier purchasing access to an unbundled network facility is entitled to exclusive use of that facility for a period of time, or when purchasing access to a feature, function, or capability of a facility, a telecommunications carrier is entitled to use of that feature, function, or capability for a period of time. A telecommunications carrier's purchase of access to an unbundled network element does not relieve the incumbent LEC of the duty to maintain, repair, or replace the unbundled network element.

Comments: Please note above statement especially repair of the loop. We will need adequate repair interface. The problem with TAFI is still unresolved despite several promises.

§ 51.311: (b): Except as provided in paragraph (c) of this section, to the extent technically feasible, the quality of an unbundled network element, as well as the quality of the access to such unbundled network element, that an incumbent LEC provides to a requesting telecommunications carrier shall be at least equal in quality to that which the incumbent LEC provides to itself. If an incumbent LEC fails to meet this requirement, the incumbent LEC must prove to the state commission that it is not technically feasible to provide the requested unbundled network element, or to provide access to the requested unbundled network element, at a level of quality that is equal to that which the incumbent LEC provides to itself.

(c): To the extent technically feasible, the quality of an unbundled network element, as well as the quality of the access to such unbundled network element, that an incumbent LEC provides to a requesting telecommunications carrier shall, upon request, be superior in quality to that which the incumbent LEC provides to itself. If an incumbent LEC fails to meet this requirement, the incumbent LEC must prove to the state commission that it is not technically feasible to provide the requested unbundled network element or access to such unbundled network element at the requested level of quality that is superior to that which the incumbent LEC provides to itself. Nothing in this section

prohibits an incumbent LEC from providing interconnection that is lesser in quality at the sole request of the requesting telecommunications carrier.

Comments: I am sure the above provisions are very clear. If you need further assistance on interpretation, please call Messrs. Bob Harris and Victor Miriki at 305 476 4270 and 305 476 4250 respectively.

§ 51.313: (b): Where applicable, the terms and conditions pursuant to which an incumbent LEC offers to provide access to unbundled network elements, including but not limited to, the time within which the incumbent LEC provisions such access to unbundled network elements, shall, at a minimum, be no less favorable to the requesting carrier than the terms and conditions under which the incumbent LEC provides such elements to itself.

§ 51.313: (c): An incumbent LEC must provide a carrier purchasing access to unbundled network elements with the pre-ordering, ordering, provisioning, maintenance and repair, and billing functions of the incumbent LEC's operations support systems.

Comments: We will need the necessary OSS BellSouth has in house.

§ 51.315: (a): An incumbent LEC shall provide unbundled network elements in a manner that allows requesting telecommunications carriers to combine such network elements in order to provide a telecommunications service.

(b) Except upon request, an incumbent LEC shall not separate requested network elements that the incumbent LEC currently combines.

(c) Upon request, an incumbent LEC shall perform the functions necessary to combine unbundled network elements in any manner, even if those elements are not ordinarily combined in the incumbent LEC's network, provided that such combination is:

(1) technically feasible; and

(2) would not impair the ability of other carriers to obtain access to unbundled network elements or to interconnect with the incumbent LEC's network.

(d) Upon request, an incumbent LEC shall perform the functions necessary to combine unbundled network elements with elements possessed by the requesting telecommunications carrier in any technically feasible manner.

Comments: Please refer to the FPSC Order No. PSC – 98 – 0810 – FOF – TP.

§ 51.319: An incumbent LEC shall provide nondiscriminatory access in accordance with § 51.311 of this part and section 251(c)(3) of the Act to the following network elements on an unbundled basis to any requesting telecommunications carrier for the provision of a telecommunications service:

(a) *Local Loop*. The local loop network element is defined as a transmission facility between a distribution frame (or its equivalent) in an incumbent LEC central office and an end user customer premises;

(b) *Network Interface Device*.

(1) The network interface device network element is defined as a cross-connect device used to connect loop facilities to inside wiring.

(2) An incumbent LEC shall permit a requesting telecommunications carrier to connect its own local loops to the inside wiring of premises through the incumbent LEC's network interface device. The requesting telecommunications carrier shall establish this connection through an adjoining network interface device deployed by such telecommunications carrier;

(c) *Switching Capability*.

(1) Local Switching Capability.

(i) The local switching capability network element is defined as:

(A) line-side facilities, which include, but are not limited to, the connection between a loop termination at a main distribution frame and a switch line card;

(B) trunk-side facilities, which include, but are not limited to, the connection between trunk termination at a trunk-side cross-connect panel and a switch trunk card; and

(C) all features, functions, and capabilities of the switch, which include, but are not limited to:

(*1*) the basic switching function of connecting lines to lines, lines to trunks, trunks to lines, and trunks to

trunks, as well as the same basic capabilities made available to the incumbent LEC's customers, such as a telephone number, white page listing, and dial tone; and

(2) all other features that the switch is capable of providing, including but not limited to custom calling, custom local area signaling service features, and Centrex, as well as any technically feasible customized routing functions provided by the switch.

(ii) An incumbent LEC shall transfer a customer's local service to a competing carrier within a time period no greater than the interval within which the incumbent LEC currently transfers end users between interexchange carriers, if such transfer requires only a change in the incumbent LEC's software;

(2) Tandem Switching Capability. The tandem switching capability network element is defined as:

(i) trunk-connect facilities, including but not limited to the connection between trunk termination at a cross-connect panel and a switch trunk card;

(ii) the basic switching function of connecting trunks to trunks; and

(iii) the functions that are centralized in tandem switches (as distinguished from separate end-office switches), including but not limited to call recording, the routing of calls to operator services, and signaling conversion features;

(d) *Interoffice Transmission Facilities*.

(1) Interoffice transmission facilities are defined as incumbent LEC transmission facilities dedicated to a particular customer or carrier, or shared by more than one customer or carrier, that provide telecommunications between wire centers owned by incumbent LECs or requesting telecommunications carriers, or between switches owned by incumbent LECs or requesting telecommunications carriers.

(2) The incumbent LEC shall:

(i) provide a requesting telecommunications carrier exclusive use of interoffice transmission facilities dedicated to a particular customer or carrier, or use of the features, functions, and

capabilities of interoffice transmission facilities shared by more than one customer or carrier;

(ii) provide all technically feasible transmission facilities, features, functions, and capabilities that the requesting telecommunications carrier could use to provide telecommunications services;

(iii) permit, to the extent technically feasible, a requesting telecommunications carrier to connect such interoffice facilities to equipment designated by the requesting telecommunications carrier, including, but not limited to, the requesting telecommunications carrier's collocated facilities; and

(iv) permit, to the extent technically feasible, a requesting telecommunications carrier to obtain the functionality provided by the incumbent LEC's digital cross-connect systems in the same manner that the incumbent LEC provides such functionality to interexchange carriers;

(e) *Signaling Networks and Call-Related Databases*.

(1) Signaling Networks.

(i) Signaling networks include, but are not limited to, signaling links and signaling transfer points.

(ii) When a requesting telecommunications carrier purchases unbundled switching capability from an incumbent LEC, the incumbent LEC shall provide access to its signaling network from that switch in the same manner in which it obtains such access itself.

(iii) An incumbent LEC shall provide a requesting telecommunications carrier with its own switching facilities access to the incumbent LEC's signaling network for each of the requesting telecommunications carrier's switches. This connection shall be made in the same manner as an incumbent LEC connects one of its own switches to a signal transfer point.

(iv) Under this paragraph, an incumbent LEC is not required to unbundle those signaling links that connect service control points to switching transfer points or to permit a requesting telecommunications carrier to link its own signal transfer points directly to the incumbent LEC's switch or call-related databases;

(2) Call-Related Databases.

(i) Call-related databases are defined as databases, other than operations support systems, that are used in signaling networks for billing and collection or the transmission, routing, or other provision of a telecommunications service.

(ii) For purposes of switch query and database response through a signaling network, an incumbent LEC shall provide access to its call-related databases, including, but not limited to, the Line Information Database, Toll Free Calling database, downstream number portability databases, and Advanced Intelligent Network databases, by means of physical access at the signaling transfer point linked to the unbundled database.

(iii) An incumbent LEC shall allow a requesting telecommunications carrier that has purchased an incumbent LEC's local switching capability to use the incumbent LEC's service control point element in the same manner, and via the same signaling links, as the incumbent LEC itself.

(iv) An incumbent LEC shall allow a requesting telecommunications carrier that has deployed its own switch, and has linked that switch to an incumbent LEC's signaling system, to gain access to the incumbent LEC's service control point in a manner that allows the requesting carrier to provide any call-related, database-supported services to customers served by the requesting telecommunications carrier's switch.

(v) A state commission shall consider whether mechanisms mediating access to an incumbent LEC's Advanced Intelligent Network service control points are necessary, and if so, whether they will adequately safeguard against intentional or unintentional misuse of the incumbent LEC's Advanced Intelligent Network facilities.

(vi) An incumbent LEC shall provide a requesting telecommunications carrier with access to call-related databases in a manner that complies with section 222 of the Act;

(3) Service Management Systems.

(A) A service management system is defined as a computer database or system not part of the public switched network that, among other things:

(*1*) interconnects to the service control point and sends to that service control point the information and call processing instructions needed for a network switch to process and complete a telephone call; and

(*2*) provides telecommunications carriers with the capability of entering and storing data regarding the processing and completing of a telephone call.

(B) An incumbent LEC shall provide a requesting telecommunications carrier with the information necessary to enter correctly, or format for entry, the information relevant for input into the particular incumbent LEC service management system.

(C) An incumbent LEC shall provide a requesting telecommunications carrier the same access to design, create, test, and deploy Advanced Intelligent Network-based services at the service management system, through a service creation environment, that the incumbent LEC provides to itself.

(D) A state commission shall consider whether mechanisms mediating access to Advanced Intelligent Network service management systems and service creation environments are necessary, and if so, whether they will adequately safeguard against intentional or unintentional misuse of the incumbent LEC's Advanced Intelligent Network facilities.

(E) An incumbent LEC shall provide a requesting telecommunications carrier access to service management systems in a manner that complies with section 222 of the Act;

(f) *Operations Support Systems Functions*.

(1) Operations support systems functions consist of pre-ordering, ordering, provisioning, maintenance and repair, and billing functions supported by an incumbent LEC's databases and information.

(2) An incumbent LEC that does not currently comply with this requirement shall do so as expeditiously as possible, but, in any event, no later than January 1, 1997; and

(g) *Operator Services and Directory Assistance*. An incumbent LEC shall provide access to operator service and directory assistance facilities where technically feasible.

Comments: This section provides authority to Supra to order all forms of UNES and for BellSouth to provision them.

§ 51.503: (c): The rates that an incumbent LEC assesses for elements shall not vary on the basis of the class of customers served by the requesting carrier, or on the type of services that the requesting carrier purchasing such elements uses them to provide.

Comments: Supra will insist that BellSouth comply with this provision in its entirety.

In generating these service combinations, I detected anomalies between the sub-element descriptions in the BellSouth – Supra interconnection contract, and the UNE presentation given to us by Jerry Latham. Since I know that we currently have agreed upon access to elements described in our interconnection contract, I have used this reference exclusively in defining service combinations. In general, our contract is already offering us loops consisting of several recombined sub-elements, so it didn't make sense to subdivide into finer segments than the contract specifies.

At this point, we are interested in the combination of the following network elements:

- 4 wire analog loop, including NID, and Port with its functionality that include the enhanced services like caller ID, call waiting, hunting, call forwarding etc.
- 2 wire analog loop, including NID and Port with its functionality that include the enhanced services like caller ID, call waiting, hunting, call forwarding etc.

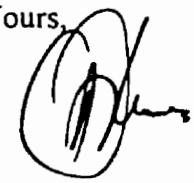
Apart from using the above combined elements for 1FB and 1FR-type services, we will use them to provide ISDN, T1 and PRI type services. Please let us know what other UNES BellSouth will have to recombine for Supra to create those services.

We have taken our time to establish the proper basis for our demand because this is our business case. We have been disappointed many times in the past by BellSouth and will not tolerate further disappointments.

We will like to commence ordering of these combined elements on or before July 1, 1998. Please let us know exactly in detail what ordering process needs to be followed by Supra and BellSouth to make that date a reality. We await positive responses to Dave Nilson's letters of 04/29/98 and 06/05/98 to Mr. Pat Finlen.

If BellSouth does not intend to honor these requests in a professional, timely and business-like fashion because of any legal argument, please have your counsel immediately contact our General Counsel, Suzanne F. Summerlin, at (850) 656 2288. Supra cannot afford delays in this process and will not tolerate them.

Yours,



OLUKAYODE A. RAMOS
President and CEO

Attachments.

4:45 -
305 321 4970 - D fax-ch
888 797 5123

BELLSOUTH

BellSouth Interconnection Services
9th Floor
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Birmingham, Alabama 35203

205 321-4900
Fax 205 321-4334
Pager 1 800 946-4646 PIN 2295861
Internet
Marcus B Cathey@bridge bst bls.com

Marcus B. Cathey
Sales Assistant Vice President
CLEC Interconnection Sales

July 2, 1998

Mr. Olukayode Ramos
President and CEO
Supra Telecom & Information Systems, Inc.
2620 S.W. 27th Avenue
Miami, FL 33133

Dear Mr. Ramos:

This is in response to your letter dated June 22, 1998 regarding Supra's request to purchase recombined Unbundled Network Elements. As I stated in my letter of June 25, 1998, BellSouth has no contractual or statutory obligation to combine Unbundled Network Elements on behalf of Supra Telecom & Information Systems, Inc. Any agreement to combine Unbundled Network Elements will be outside of BellSouth's statutory obligations, and will be market priced and not subject to the jurisdiction of the Commission. We are currently in the process of formulating our pricing proposal along these lines in response to your request and should provide it to you by July 9, 1998.

Should you have any further questions, please feel free to contact me. I can be reached at 205/321-4900

Sincerely,

Marcus Cathey
Sales Assistance Vice President

SUPRA

EXHIBIT OAR 9

Supra Telecom
520 S.W. 27th Avenue Miami, FL 33133

Olukayode A. Ramos
Chairman & CEO
Email: kayramos@stis.com
Telephone: (305) 476-4220
Fax: (305) 476-4282

April 26, 2000

VIA FACSIMILE
Mr. Pat Finlen
Manager – Interconnection Services
BellSouth Telecommunications, Inc.
Room 34S91 BellSouth Center
675 West Peachtree Street, N.E.
Atlanta, GA 30375

Re: Request for Information Regarding Negotiations of Interconnection Agreement

Dear Mr. Finlen:

Pursuant to our telephone conversation and the FCC's First Report and Order, §155, Supra Telecom hereby requests for all the information attached as Exhibit "A" to this letter. The information so provided must cover the entire BellSouth territory. I am counting on your promise to provide the information requested in a speedy manner.

Regards,

Olukayode A. Ramos
Chairman & CEO

Cc: Mark Buechele, Wayne Stavanja and Victor Miriki (Supra Telecom)
Parkey Jordan (Esq.) (BellSouth)

SUPRA

EXHIBIT: OAR 10

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Petition for Arbitration of the Interconnection Agreement between Bell-South Telecommunications, Inc. and Supra Telecommunications & Information Systems, Inc. pursuant to Section 252(b) of the Telecommunications Act of 1996	)	Docket No. 00-1305-TP Dated: January 26, 2001

SUPRA TELECOMMUNICATIONS AND INFORMATION SYSTEMS, INC.'S MOTION TO DISMISS

NOW COMES Supra Telecommunications & Information Systems, Inc. ("Supra"), by and through its undersigned counsel, pursuant to Florida Administrative Code Rule 28-106.204 and Florida Rule of Civil Procedure 1.140(b), moves to Dismiss the Complaint of BellSouth Telecommunications, Inc. ("BellSouth") for lack of subject matter jurisdiction as well as BellSouth's violations of Section 251(c)(1) of the Communications Act of 1934, as amended (47 U.S.C. § 201, *et seq.*), and 47 C.F.R. § 51.301, and in support hereof states as follows:

I. BRIEF INTRODUCTION

On or about October 25, 1999, Supra adopted an Interconnection Agreement ("Current Agreement") entered into by BellSouth and AT&T of the Southern States, such Current Agreement having been approved by the Florida Public Service Commission. The Current Agreement provides for the term of the agreement, a termination date, and a time frame for the negotiations of a "Follow-On Agreement." Most importantly, the Current Agreement provides for a procedure to be followed **before** either party files a petition with the FPSC for arbitration of such. BellSouth has failed to follow this

procedure, and, therefore, the FPSC lacks subject matter jurisdiction over the present dispute.

Additionally, BellSouth prematurely filed this petition in that, pursuant to 47 U.S.C. § 252(b)(1), BellSouth was only entitled to file such "during the period from the 135th to the 160th day (inclusive) after the date on *which an incumbent local exchange carrier receives a request for negotiation . . .*" BellSouth did not receive a request for negotiation from Supra until on or about June 9, 2000. Therefore, BellSouth's filing on September 1, 2000 was premature, and did not give the parties sufficient time to negotiate a Follow-On Agreement.

Furthermore, on or about April 26, 2000, Supra sent a letter to BellSouth requesting that BellSouth provide Supra with information regarding its network which Supra reasonably required in order to negotiate with BellSouth. A true copy of this letter is attached hereto as **Exhibit A.** Furthermore, on or about August 8, 2000, Supra handed a copy of the same document request to representatives of BellSouth, asking for the responsive documents. Again, BellSouth ignored the request. BellSouth ignored these requests, in violation of Section 251(c)(1) of the Communications Act of 1934, as amended, and 47 C.F.R. § 51.301. As a result, Supra has been severely disadvantaged in that it does not have the necessary, and required, information from which to even begin negotiations. BellSouth has made it impossible for Supra to negotiate on equal-footing with BellSouth.

II. ARGUMENT

A. LACK OF SUBJECT MATTER JURISDICTION

Florida Rule of Civil Procedure 1.140(h)(2) provides, in pertinent part:

The defense of lack of subject matter jurisdiction may be raised at any time.

The FPSC lacks subject matter jurisdiction over this action for 2 reasons: (1) BellSouth failed to comply with the procedural requirements of the parties' current, FPSC-approved Interconnection Agreement, and (2) BellSouth prematurely filed its Petition, in violation of 47 U.S.C. 252(b).

First, Section 2.3 of the General Terms and Conditions of the parties' current Interconnection Agreement, which was arbitrated by BellSouth and AT&T of the Southern States before the FPSC, provides, in pertinent part:

> Prior to filing a Petition [with the FPSC] pursuant to this Section 2.3, the Parties agree to utilize the informal dispute resolution process provided in Section 3 of Attachment 1.

Section 3 of Attachment 1 provides

> The Parties to this Agreement shall submit any and all disputes between BellSouth and [Supra] for resolution to an Inter-Company Review Board consisting of one representative from [Supra] at the Director-or-above level and one representative of BellSouth at the Vice-President–or-above level (or at such lower level as each Party may designate).

BellSouth failed to even request that this matter be submitted to an Inter-Company Review Board prior its filing the present Petition. In fact, BellSouth raised this very same point against Supra via a letter dated September 22, 2000, in response to Supra's filing of a Complaint for commercial arbitration pursuant to Attachment 1 of the current agreement. A true copy of said letter is attached hereto as **Exhibit B.**

BellSouth has not made a good faith attempt to honor the parties' current agreement, much less a good faith effort to negotiate a Follow-On Agreement. Unless or until the parties follow the procedures of their current agreement, by submitting the

matter to an Inter-Company Review Board, this Commission lacks jurisdiction to resolve the issues raised by BellSouth.

Second, and perhaps even more importantly, BellSouth has prematurely filed its petition, in violation of 47 U.S.C. § 252(b)(1), which provides, in pertinent part:

> During the period from the 135th to the 160th day (inclusive) after the date on *which an incumbent local exchange carrier **receives a request** for negotiation* under this section, the carrier or any other party to the negotiation may petition a State commission to arbitrate any open issues. (Emphasis added.)

BellSouth did not **receive a request** for renegotiation until June 9, 2000. In fact, prior to that time, the parties had discussed the possibility of simply extending the term of the current Interconnection Agreement. Admittedly, BellSouth did send Supra correspondence on March 29, 2000 regarding renegotiations. However, after that correspondence, Supra's CEO, Kay Ramos, spoke with one of BellSouth's negotiators, Pat Finlen, regarding Supra's ability to simply extend the parties' current agreement. It was Supra's understanding that BellSouth agreed to the extension. As a result, the parties did not enter into any negotiations between March 29, 2000 and June 9, 2000. Only on June 8, 2000 did BellSouth first take the position that it would refuse to extend the parties' current agreement. The very next day, Supra notified BellSouth of its request for renegotiation. Supra raised this issue in paragraph 6 of its Response to BellSouth's Petition for Arbitration, dated October 16, 2000.

Furthermore, ¶149 of the FCC First Report and Order (adopted August 1, 1996) on the Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket No. 96-98, provides, in pertinent part that:

> Because section 252 permits parties to seek mediation "at any point in the negotiation," and also allows parties to seek arbitration as early as 135 days after an incumbent LEC **receives a request** for negotiation under section 252, we conclude that Congress specifically contemplated that one or more of the parties may fail to negotiate in good faith, and created at least one remedy in the arbitration process.

Because BellSouth prematurely filed its petition, the parties have not been able to fully identify and discuss the issues for arbitration existing between the parties. This fact was made very clear at the issue identification conferences at the Commission, as the parties have not even had an opportunity to discuss any proposed language. The FPSC simply does not have jurisdiction to arbitrate interconnection agreements before 135 days after an incumbent LEC receives a request for negotiation under section 252, whether such an action is filed by the incumbent LEC or by a competitive LEC. As such, the present petition should be dismissed.

B. BELLSOUTH HAS ACTED IN BAD FAITH.

Despite numerous requests, BellSouth has refused to provide information about its network necessary to reach an agreement. See **Exhibit A**. BellSouth's lack of response is a violation of: (a) 47 U.S.C. § 252, (b) Paragraph 155 of the FCC First Report and Order, and (c) 47 CFR §51.301(c)(8), which provides:

> If proven to the Commission, an appropriate state commission, or a court of competent jurisdiction, the following practices, among others, violate the duty to negotiate in good faith:
>
> (8) Refusing to provide information necessary to reach an agreement. Such refusal includes, but is not limited to:
>
> (i) Refusal by an incumbent LEC to furnish information about its network that a requesting telecommunications carrier reasonably

> requires to identify the network elements that it needs in order to serve a particular customer;

Furthermore, paragraph 148 of the FCC First Report and Order defined good faith as:

> The Uniform Commercial Code defines "good faith" as "honesty in fact in the conduct of the transaction concerned." When looking at good faith, the question "is a narrow one focused on the subjective intent with which the person in question has acted." Even where there is no specific duty to negotiate in good faith, certain principles or standards of conduct have been held to apply. For example, parties may not use duress or misrepresentation in negotiations. Thus, the duty to negotiate in good faith, at a minimum, prevents parties from intentionally misleading or coercing parties into reaching an agreement they would not otherwise have made. We conclude that intentionally obstructing negotiations also would constitute a failure to negotiate in good faith, because it reflects a party's unwillingness to reach agreement. (Emphasis added.)

BellSouth has ignored Supra's request for information, has prematurely filed a petition (knowing that it had not followed contractual and statutory procedures), has intentionally obstructed negotiations and has filed a never-before seen template agreement as its proposed language in this proceeding, all in an attempt to rush Supra and this Commission into an arbitration for an agreement which will substantially favor BellSouth to the detriment of Supra and Florida telephone subscribers who have not benefited from the promotion of competition promised by the Communications Act, as amended by the Telecommunications Act of 1996 (codified at 47 U.S.C. 201, et seq.). BellSouth should not be allowed to benefit from this type of conduct.

Significantly, this is not the first time BellSouth has engaged in such conduct. On or about November 2, 2000, the Federal Communications Commission ("FCC") entered a consent decree against BellSouth for BellSouth's violations of section 251(c)(1) of the Communications Act of 1934, as amended, and section 51.301 of the Commission's rules, in connection with BellSouth's alleged failure to negotiate in good faith the terms

and conditions of an amendment to an interconnection agreement with Covad Communications Company (Covad) relating to BellSouth's provision of unbundled copper loops in nine states. A copy of the news release and consent decree are attached as **Exhibit C**. BellSouth was fined $750,000 by the FCC for the very act it has committed against Supra.

It is interesting to note that Covad and other Alternative Local Exchange Carriers are about to go out of business. Please see **Exhibit D**, "Dead Companies Walking", an article in the Business Week of January 22, 2001. Aside from Covad, other companies mentioned in that article as going out of business are Rhythms NetConnections, Intermedia Communications, Northpoint Communications, RSL Communications and ICG Communications. All these companies have either filed complaints or participated in proceedings against BellSouth before this very Commission. It appears that BellSouth is winning its battle to prevent competition in the local telephone industry.

It should also be noted that, in addition to the present proceeding, Supra is currently battling BellSouth on many fronts:

a. Supra Telecommunications & Information Systems, Inc. v. BellSouth Telecommunications, Inc., Case No. 99-1706 – CIV-SEITZ, before the Southern District Court of Florida, Miami Division, for anti-trust violations, breach of contract, fraud, etc.

b. Supra v. BellSouth, Before the CPR Institute for Dispute Resolution Arbitral Tribunal, re: enforcement of interconnection agreement, filed in September 2000.

c. In re: Complaint of BellSouth Telecommunications, Inc. against Supra Telecommunications and Information Systems, Inc., for Resolution of Billing Disputes, Docket No. 001097-TP, regarding a billing dispute (BellSouth's substantial complaint in this proceeding was dismissed by this Commission to be heard at commercial arbitration proceeding pursuant to the parties' agreement.)

d. BellSouth Intellectual Property Company v. Supra Telecommunications & Information Systems, Inc., Case No. CASE NO. 00-4205 – CIV-GRAHAM/TURNOFF, before the Southern District Court of Florida, Miami Division, for trademark infringement and dilution.

While BellSouth has the resources to litigate all of these issues, as well as numerous others, Supra's lack of resources places it at a severe disadvantage. Of course, it may well be BellSouth's strategy to spread Supra's resources as thin as possible so as to be able to force through its agenda in the present arbitration proceeding and eventually force Supra out of business as it has other CLECs (see **Exhibit D)** as well as deny Florida telephone subscribers the benefits of competition.

BellSouth's actions have been intentional and willful. Under the present circumstances, in light of BellSouth's bad faith negotiations, the present petition should be dismissed.

III. CONCLUSION

As BellSouth has failed to follow contractual and statutory procedures, this Commission lacks subject matter jurisdiction over the present controversy. As such, BellSouth's actions should be dismissed. Furthermore, BellSouth has acted in bad faith in conducting negotiations with Supra. BellSouth should immediately tender information responsive to Supra's requests contained in its April 26, 2000 letter.

WHEREFORE, Supra respectfully requests that this Honorable Commission enter an Order:

A. Dismissing BellSouth's Complaint with prejudice;

B. Ordering that the parties continue to operate under their current interconnection agreement until a new agreement is properly negotiated or arbitrated;

C. Ordering BellSouth to immediately tender information responsive to Supra's requests contained in its April 26, 2000 letter;

D. Entering a judgment against BellSouth in favor of Supra for the costs and attorney's fees Supra has incurred as a result of this proceeding, and

E. For all such further relief as is deemed equitable and just.

Certificate of Service

I hereby certify that a true and correct copy of the foregoing has been served via facsimile and/or U.S. Mail upon Nancy White, Esq., BellSouth, 150 West Flagler Street, Suite 1910, Miami, Florida 33130; R. Douglas Lackey and J. Philip Carver, BellSouth, Suite 4300, 675 W. Peachtree St., NE, Atlanta, GA 30375; and Staff Counsel, Florida Public Service Commission, Division of Legal Services, 2450 Shumard Oak Boulevard, Tallahassee, Florida; this 29th day of January, 2001.

SUPRA TELCOMMUNICATIONS & INFORMATION SYSTEMS, INC.
2620 S.W. 27th Ave.
Miami, Florida 33133
Telephone: 305/476-4248
Facsimile: 305/443-1078

By:_____
BRIAN CHAIKEN, ESQ.
Florida Bar No. 0118060

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re:	)	
	)	
Petition for Arbitration of the Interconnection Agreement Between BellSouth Telecommunications, Inc. and Supra Telecommunications and Information Systems, Inc., Pursuant to Section 252(b) of the Telecommunications Act of 1996.	)	Docket No. 001305-TP
	)	Filed: February 6, 2001

BELLSOUTH'S RESPONSE IN OPPOSITION TO SUPRA TELECOMMUNICATIONS AND INFORMATION SYSTEMS, INC.'S MOTION TO DISMISS

BellSouth Telecommunications, Inc ("BellSouth"), hereby files, pursuant to Rule 25-22.037(b), Florida Administrative Code, its Response in Opposition to the Motion to Dismiss of Supra Telecommunications and Information Systems, Inc.'s ("Supra"), and states the following:

1. Supra's Motion should be denied because it fails to provide any basis upon which this Commission could find that it lacks subject matter jurisdiction over the arbitration of the Interconnection Agreement between the parties. All other grounds for bringing the Motion are untimely under the Florida Rules of Civil Procedure. Moreover, even if Supra's Motion were timely, it still fails to state a legally sufficient basis to grant a dismissal.

2. BellSouth sent to Supra a request for negotiation by letter dated March 29, 2000. The Petition in this matter was filed September 1, 2000. Thus, BellSouth did, in fact, file the Petition in the timeframe provided in Section 252(b)(1) of the

Telecommunications Act, i.e., between the 135th and 160th day after the request for negotiation. Supra initially responded to BellSouth's Petition by requesting additional time, until October 2, 2000, to file its response. Supra subsequently filed its Response on October 16, 2000. Supra again attempted to delay this proceeding by filing on December 20, 2000, a Motion to postpone the Issue Identification conference set for January 8, 2001. This Motion was denied by the Prehearing Officer. Supra's Motion to Dismiss is nothing more than another dilatory tactic.

3. Rule 1.140, Fla. R. Civ. Pro. provides that all defenses, including a defense that would be a basis for dismissal, must be stated in the initial responsive pleading or motion. The Rule further provides that "any ground not stated shall be deemed to be waived except any ground showing that the Court lacks jurisdiction of the subject matter may be made at any time." Thus, if Supra's Motion is not sufficient to demonstrate that this Commission lacks subject matter jurisdiction over the arbitration of interconnection agreements, then Supra's Motion must be summarily denied. Supra has, in fact, completely failed to support such a contention.

4. Subject matter jurisdiction is vested in a particular tribunal by organic law. In other words, this jurisdiction exists pursuant to the state or federal constitution, or the pertinent statutory authority. This jurisdiction was defined by the Florida Supreme Court in Cunningham v. Standard Guaranty Insurance Co., 630 So. 2d 179, 181 (Fla. 1994) as "the power of the . . . [tribunal] . . . to deal with a class of cases to which a particular case belongs." The Supreme Court continued by noting the following long-standing definition of subject matter jurisdiction:

> 'Jurisdiction,' in the strict meaning of the term, as applied to judicial officers and tribunals, means no more than the power lawfully existing

> to hear and determine a cause. It is the power lawfully conferred to deal with the general subject involved in the action. It does not depend upon the ultimate existence of a good cause of action in the plaintiff, in the particular case before the court. 'It is the power to adjudge concerning the general question involved, and is not dependent upon the state of facts which may appear in a particular case.' *Hunt v. Hunt*, 72 N.Y. 217.

(Id.).

Further, "the parties cannot stipulate to jurisdiction where none exists. (Id.). Conversely, the parties cannot, by agreement, deprive a tribunal of subject matter jurisdiction that it possesses. See Manrique v. Fabbri, 493 So. 2d 437 (Fla. 1986).[1] In our case, this Commission's jurisdiction over the arbitrations of interconnection agreements is clear.

5. As set forth in BellSouth's Petition (p. 3), "pursuant to Section 252(b)(1) of the 1996 Act, which allows either party to the negotiation to request arbitration, this Commission is empowered to arbitrate any and all unresolved issues regarding Supra's interconnection with BellSouth's network." Supra has not disputed this Commission's subject matter jurisdiction under the Act, and the matters raised in Supra's Motion (even if otherwise meritorious) cannot legally divest this Commission of its jurisdiction. Therefore, Supra's Motion fails because it does not go to this Commission's jurisdiction over the subject matter, and all other grounds for dismissal have been waived due to Supra's failure to assert them in a timely manner.

6. Moreover, even if Supra's Motion to Dismiss did state some basis that went to the subject matter jurisdiction of this Court, the fact remains that, as to each

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[1] In Manrique, the Florida Supreme Court noted that parties may express a choice of forum, and a court recognizing this choice may decline to exercise jurisdiction. However, the parties can not, by agreement, deprive a court of jurisdiction that otherwise exists (Id. at 440).

of Supra's bases for dismissal, Supra is simply wrong. Supra's first "jurisdictional argument" is premised upon the contention that 1) BellSouth cannot petition for arbitration until after a Inter-Company Review Board meeting has been held, and 2) there has been no such meeting. The most charitable comment that could be made about Supra's argument is that it is an extreme example of form over substance. Section 2.3 of the Agreement's general terms and conditions states the parties' agreement that, prior to filing a petition pursuant to this Section, they will utilize the informal dispute resolution process provided in Section 3 of Attachment 1. The attachment provides that the parties will attempt to resolve disputes by submitting them to a Inter-Company Review Board for discussion and negotiation, and that the Board will consist of representatives at a prescribed level of each company or other employees "at such lower level as each party may designate."

7. In other words, the requirements of the Agreement are very much like the requirements of the Act: parties are required to negotiate and attempt to reach an agreement before filing a Petition. BellSouth and Supra did engage in negotiations, a fact that Supra does not deny. Further, the negotiations were attended by the same representatives of each company that would negotiate in the context of an Inter-Company Review Board meeting. Apparently, Supra's contention boils down to the notion that because these negotiations were not designated as an official Inter-Company Review Board meeting, they cannot fulfill the requirements of the Agreement. Again, this is rather an extreme example of form over substance.

8. Further, even if Supra were correct that there must be a negotiation session that is formally designated as such, Supra has inexplicably failed to invoke

this provision of the Agreement either during negotiations or at any previous time during the five months since BellSouth filed its Petition. As with any other contractual right, by electing not to raise this issue sooner (or by simply neglecting to do so) Supra has waived any contractual right that it may have had to an Inter-Company Board meeting. It is well settled that rights that exist under a contract are waived if not asserted within a reasonable period of time. See Fort Walton Beach Lincoln Mercury, Inc. v. Pearson, 731 So. 2d 859 (Fla. 1st DCA 1999). Further in an analogous context, the Florida Supreme Court rejected an argument that is more like Supra's argument in our case. In Butler v. Allied Dairy Products, Inc., 151 So. 2d 279 (Fla. 1963), an employer claimed that the Commission in a workman's compensation proceeding lacked subject matter jurisdiction because the claim was barred by a statute that made hiring within the state a prerequisite to recovery. The Supreme Court held that the defense did not go to the subject matter jurisdiction of the Commission. The Court also ruled that the employer, by its past conduct, had waived the statutory requirement and was estopped from raising it as a defense.

9. Again, in substance, the requirement of an intercompany board meeting has been met. Moreover, even if Supra were correct in arguing the technicality that the negotiations that occurred were not actually designated as intercompany board meetings, this is, at most, a relatively minor requirement of the Agreement, which Supra has waived by its actions. Further, even if not waived, the lack of an intercompany board meeting does not divest the Commission of subject matter jurisdiction.

10. Supra's second "jurisdictional argument" is that BellSouth did not file the Petition for Arbitration within the filing window prescribed by Section 252(b)(1). In its Motion, Supra acknowledges receiving from BellSouth on March 29, 2000, "correspondence regarding negotiations." What Supra does not acknowledge is that this letter was a clear and unequivocal demand for negotiation. Further, the letter clearly states that it "serves as notification that BellSouth chooses to negotiate a new Interconnection Agreement rather than to extend the term of Supra's existing Agreement." (A copy of the letter is attached as Exhibit A).

11. Apparently Supra's theory is that at some point subsequent to this March 29, 2000 letter, Supra developed the purely subjective opinion that the then current agreement would be extended. Under Supra's theory, "negotiations" did not begin until it was disabused of this notion, and Supra (as opposed to BellSouth) requested negotiations on June 9, 2000, i.e., more than two months after negotiations had been opened by BellSouth. Even if Supra's factual contentions were correct (and they are not), Supra's position is that because negotiations concerned an extension rather than a new agreement, they were somehow not negotiations at all. Although Supra's theory is novel, there is no support, either in law or otherwise, for the notion that the nature of the negotiations (i.e., what was discussed) can somehow toll the running of the time under 252(b)(1), which began with the clear and unequivocal earlier request for negotiation by BellSouth.

12. In Supra's Motion, it also appears to imply (although it does not state directly) that BellSouth's request for negotiation is not effective because only an ALEC, such as Supra, can request negotiations. Assuming this is Supra's

contention, it has provided no support for this position. Moreover, Petitions for Arbitration have been filed by BellSouth, Verizon, and by Sprint before this Commission on a fairly routine basis over the past several years, and these arbitrations have been heard.

13. Further, Section 2.3 of the General Terms and Conditions (which Supra relies on so heavily for other purposes) states specifically that in the process of negotiating a new agreement, if "the parties are unable to satisfactorily negotiate new terms, conditions and prices, either party may petition the Commission to establish an appropriate follow-on agreement pursuant to 47 U.S.C. § 252." Thus, if Supra is contending that only it can commence negotiations (and it is truly difficult to tell what Supra is arguing) then this argument must also fail.

14. Finally, Supra makes a variety of wild allegations to the effect that BellSouth has acted in bad faith. Even if these allegations were true (which they are not), they would provide no basis for dismissal. Supra relies heavily on a settlement of a case before the FCC in which it was alleged that BellSouth exercised bad faith during negotiations. If Supra actually had some basis for a claim to this effect, then it could bring its claim before the FCC. However, such a claim would not render the Petition in our case legally insufficient, nor would it provide any other legal basis to support dismissal. Again, Supra has failed to state a basis for dismissal, and has raised yet another matter that has absolutely nothing to do with subject matter jurisdiction.

15. Supra's plea for dismissal with prejudice is unfounded, but it is noteworthy only that it demonstrates that Supra's Motion is yet one more attempt to

"game" the process. Typically, if a petition were filed prematurely (as Supra alleges), the remedy would be to delay commencement of the proceeding until the window under 252(b)(1) actually opened. Supra has, instead, waited until after the window has opened and closed under the correct calculation of this time frame (and even under its own incorrect calculation) to raise as a basis for dismissal the contention that the Petition was filed prematurely. Thus, Supra has (apparently intentionally) delayed raising what it claims is a basis for dismissal, and is now requesting that the Petition be dismissed with prejudice, so that, presumably, there would never be arbitration between the parties. This request is as outlandish as it is untenable. Again, it simply shows the lengths to which Supra will go to delay this proceeding

16. As mentioned previously, Supra's conduct throughout this proceeding has been characterized by extreme foot-dragging. Supra initially filed a motion that had the effect of delaying their response to the Petition. Then Supra attempted unsuccessfully to postpone the Issue Identification meeting. Now, Supra continues this pattern of dilatory behavior by filing this frivolous motion to dismiss the complaint. These tactics should not be rewarded. Instead, Supra's motion should be summarily denied.

WHEREFORE, BellSouth respectfully requests the entry of an Order denying Supra's Motion to Dismiss for the reasons set forth above.

Respectfully submitted this 6th day of February, 2001.

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March 2, 2001

VIA FEDERAL EXPRESS MAIL
GLENN T. REYNOLDS, ESQ.
FRANK G. LAMANCUSA, ESQ.
Federal Communications Commission
Enforcement Division – Common Carrier Bureau
445 12th Street, S.W.
Suite 5-A848
Washington, D.C. 20554

Re: Supra Telecom adv. BellSouth; Request for Accelerated Docket & Pre-filing Mediation

Gentlemen:

This letter is a follow-up to our last meeting at your office. Supra apologizes for not providing this letter any sooner as Supra is currently litigating numerous issues in its continual effort to implement its agreements with BellSouth and other ILECs. The intent of this letter is to characterize BellSouth's violations of Section 251(c)(1) of the Communications Act as amended by the 1996 Act (the "Act") as well as Section 51.301 of the FCC rules, in connection with BellSouth's:

1. failure to negotiate, in good faith, the terms and conditions of an amendment to the parties' Interconnection Agreement;

2. failure to negotiate, in good faith, the terms and conditions of a follow-on agreement; and

3. refusal to proceed with Supra's collocation arrangements as a result of BellSouth's failure to provide cost data in support of its collocation rates, terms and conditions.

Supra hopes that by identifying these harmful practices and showing the absence of any material factual dispute, that the FCC will consider this letter appropriate for summary disposition and resolution on the accelerated docket procedure. The following is a listing of practices, by issue, through which BellSouth purposely avoids compliance with the requirements and intent of the Act and FCC and state Commission orders.

Issue No. 1: BellSouth's failure to negotiate, in good faith, the terms and conditions of an amendment to the parties' Interconnection Agreement.

On or about October 6, 2000, pursuant to Section 252(i) of the Communications Act as amended by the 1996 Act, 47CFR Sections 51.303(c) and 51.809 and Section 5, General Terms and Conditions of the Interconnection Agreement between Supra and BellSouth, Supra requested the right to adopt Paragraph 9.1 of the General Terms & Conditions – Part A of the June 21, 2000, Interconnection Agreement between BellSouth and MGC Communications d/b/a Mpower Communications Corporation ("Mpower"). The Mpower Interconnection Agreement, in paragraph 9.1 of the General Terms and Conditions – Part A, a true copy of which is attached hereto as **Exhibit A**, provides:

> No License. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. Unless otherwise mutually agreed upon, neither Party shall publish or use the other Party's logo, trademark, service mark, name, language, pictures, or symbols or words from which the Party's name may reasonably be inferred or implied in any product, service, advertisement, promotion, or any other publicity matter, except that nothing in this paragraph shall prohibit a Party from engaging in valid comparative advertising.

The adoption of this language was and is of importance to Supra as BellSouth was and is attempting to prohibit Supra from using its name and marks in valid comparative advertising.

Interestingly, BellSouth's only response to that October 6, 2000, letter was to have BellSouth Intellectual Property Corporation ("BIPCO"), BellSouth's sister corporation, file a lawsuit against Supra. See BellSouth Intellectual Property Corporation v. Supra Telecommunications & Information Systems, Inc. and Olukayode A. Ramos, Case No. 00-4205 – CIV-GRAHAM/TURNOFF.

In having BIPCO, a non-party to the Interconnection Agreement, file the lawsuit, BellSouth circumvented the mandatory arbitration requirement of the parties' Interconnection Agreement. Furthermore, Supra is yet to receive a response to its request to adopt the applicable section of the Mpower agreement.

Issue No. 2: BellSouth's failure to negotiate, in good faith, the terms and conditions of a "Follow-On" Agreement.

Despite numerous requests, BellSouth has refused to provide information about its network necessary to reach an agreement. See **Exhibit B**. BellSouth's lack of response is a violation of: (a) 47 U.S.C. §§ 251(c)(1) and 252, (b) Paragraph 155 of the FCC First Report and Order, and (c) 47 CFR §51.301.

Not only did BellSouth ignore Supra's request for information, but also (i) prematurely filed an arbitration petition (knowing that it had not followed the mandatory inter-company review board meeting prior to filing the petition before the FPSC and statutory procedures); (ii) intentionally obstructed negotiations; and (iii) filed a never-before seen template agreement as its proposed language in the arbitration proceeding, all in an attempt to rush Supra into an arbitration for an agreement which will substantially favor BellSouth to the detriment of Supra and Florida telephone subscribers who have not benefited from the promotion of competition promised by the Act.

Issue No. 3: BellSouth's refusal to proceed with Supra's collocation arrangements as a result of (i) BellSouth's failure to provide cost data in support of its collocation rates, terms and conditions; and (ii) refusal to proceed with buildout of collocation arrangements pending resolution of disputed charges.

In order to bring down its operational costs, reduce its over-dependence on BellSouth's network and provide advanced telecommunications services, utilizing cost-based elements, Supra has attempted to deploy a facilities-based network for over three years by collocating its equipment in BellSouth Central Offices. Currently, Supra has applied and secured space in approximately 23 of BellSouth's central offices, but has been unable to proceed with the collocation arrangement because of (i) BellSouth's refusal to provide cost data in support of its collocation rates, terms and conditions; and (ii) BellSouth's refusal to proceed with the buildout of Supra's collocation arrangements pending resolution of disputed amounts.

On or about September 8, 1999, Supra submitted the first of many written requests for cost data with respect to Supra's physical collocation in various BellSouth Central Offices. BellSouth has either refused to provide the necessary cost data or has provided cost data in such a generic format that it is impossible to breakdown and allocate the cost associated with each expense of the requested collocation. It should be noted that in the few instances where BellSouth provided incomplete and general cost data, that Supra was able to determine that BellSouth was double charging Supra for the same expense.

As Supra quickly grew weary of BellSouth's endless delays in providing the necessary and required cost data, Supra attempted to move forward by compromising and remitting payment of fifty percent (50%) of the estimated costs to BellSouth in light of the matter pending before the FPSC at that time. Supra, while still disputing the matter, proposed that if the FPSC found that BellSouth's proposed costs were reasonable, than Supra would submit any amount due. Likewise, if the FPSC rejected BellSouth's position, Supra would expect a refund of any excess monies paid towards collocation. BellSouth summarily rejected this good faith compromise.

Pursuant to paragraph 38 of the FCC Order on Reconsideration and the Second Further Notice of Proposed Rulemaking, the FCC's "good faith" rules bar ILECs from refusing to provide necessary information to reach an agreement and require that ILECs proceed with buildout of collocation arrangements pending the resolution of disputed charges. As such, BellSouth's failure and refusal to provide adequate cost support to justify its price quote upon a request by Supra as well as its failure and refusal to proceed with the buildout arrangements can be subject to a FCC enforcement action.

Furthermore, Supra, in an attempt to move forward requested, received, and selected subcontractors pursuant to BellSouth's list of its approved subcontractors. However, BellSouth has steadfastly refused to allow Supra to subcontract the construction of such collocation arrangements.

The above list of practices is not a complete list, but rather, a list of selected examples of BellSouth's bad faith practices. A clear look at the practices listed above can only lead one to conclude that it is BellSouth's policy to engage in a pattern of bad faith. According to Black's Law Dictionary, bad faith is defined as:

> The opposite of "good faith," generally implying or involving actual or constructive fraud, or a design to mislead or deceive another, or a neglect or refusal to fulfill some duty or some contractual obligation, not prompted by an honest mistake as to one's rights or duties, but by some interested or sinister motive. Term "bad faith" is not simply bad judgment or negligence, but rather it implies the conscious doing of a wrong because of dishonest purpose or moral obliquity, it is different from the negative idea of negligence in that it contemplates a state of mind affirmatively operating with furtive design or ill will. Stath v. Williams, Ind. App., 367 N.E.2d 1120, 1124. An intentional tort which results from breach of duty imposed as consequence of relationship established by contract. Davis v. Allstate Ins. Co. 101 Wis.2d 1, 303 N.W.2d 596, 599.

Significantly, this is not the first time BellSouth has engaged in such conduct. On or about November 2, 2000, this Commission entered a consent decree against BellSouth for BellSouth's violations of section 251(c)(1) of the Act, and section 51.301 of the Commission's rules, in connection with BellSouth's alleged failure to negotiate in good faith the terms and conditions of an amendment to an interconnection agreement with Covad Communications Company ("Covad") relating to BellSouth's provision of unbundled copper loops in nine states. BellSouth was fined $750,000 by the FCC for the very act it has committed against Supra.

It is interesting to note that Covad and other Competitive Local Exchange Carriers are about to go out of business. Please see **Exhibit C**, "Dead Companies Walking", an article in the Business Week of January 22, 2001. Aside from Covad, other companies mentioned in that article as going out of business are Rhythms NetConnections, Intermedia Communications, Northpoint Communications, RSL Communications and ICG Communications. All these companies have either filed complaints or participated in proceedings against BellSouth before this very Commission. It appears that BellSouth is winning its battle to prevent competition in the local telephone industry.

While BellSouth has the resources to continually refuse to negotiate in good faith to delay the implementation of Supra's business plan or to litigate every issue, Supra's lack of resources places it at a severe disadvantage. Of course, it may well be BellSouth's strategy to spread Supra's resources as thin as possible so as to be able to force through its agenda and eventually force Supra out of business as it has other CLECs, thereby denying telephone subscribers the benefits of competition.

Accordingly, Supra believes that the above-referenced violations are appropriate for inclusion in the Common Carrier Bureau's Accelerated Docket proceedings. Supra

respectfully requests the assistance of the Commission and Staff to resolve said violations in an expedited manner through mediation and, if such mediation is not successful, by inclusion in the Accelerated Docket proceedings.

If you have any questions or comments, please feel free to contact me at my office at (305) 476-4247.

Sincerely,

Paul D. Turner
Assistant General Counsel

cc: Phillip J. Carver, Esq. (BellSouth)
Nancy B. White, Esq. (BellSouth)
Brian W. Chaiken, Esq. (Supra Telecom)
Mr. Olukayode Ramos (Chairman & CEO, Supra Telecom)

Supra Telecom

Adenet Medacier
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April 4, 2001

Parkey Jordan, Esq.
General Attorney
675 West Peachtree Street
Atlanta, GA 30375-0001

Re: Inter-Company Review Board Meeting for the Purpose of Negotiating a Follow-On Agreement Pursuant to FPSC Order in CC Docket No. 001305

Dear Ms. Jordan:

I received your message regarding BellSouth's intent to request an Inter-Company Review Board meeting regarding above subject matter. As Supra has previously indicated to BellSouth, in order to be able to commence negotiations of a follow-on agreement on equal footing, Supra requires the information responsive to its letter dated April 26, 2000. See attached **Exhibit A**. On or about August 8, 2000, Ms. Kester handed you a copy of the same document request. It is almost a year that Supra made the first request without receiving any response from BellSouth.

In addition to the documents responsive to **Exhibit A**, Supra demands any and all cost studies and supporting documentation that have been conducted on any costs associated with all services and network elements, bundled or unbundled, that BellSouth provides to itself, its customers, its affiliates, subsidiaries and any other party.

Be reassured you that Supra will be able to proceed with negotiations as soon as it receives the necessary documents. Please let me know when said documents will be forwarded to our office.

Truly,

Adenet Medacier

Adenet Medacier

Cc: Olukayode Ramos
Brian Chaiken

SUPRA

EXHIBIT: OAR 14

Parkey D. Jordan
General Attorney

BellSouth Telecommunications, Inc.
Legal Department - Suite 4300
675 West Peachtree Street
Atlanta, Georgia 30375-0001
Telephone: 404-335-0794
Facsimile: 404-658-9022

April 9, 2001

Via FACSIMILE (305-443-1078)
and
FEDERAL EXPRESS

Adenet Medacier, Esq.
Supra Telecom
2620 S.W. 27th Avenue
Miami, Florida 33133

Re: Intercompany Review Board Meeting

Dear Mr. Medacier:

I have received your letter dated April 4, 2001[1], regarding the Intercompany Review Board meeting for the purpose of discussing the interconnection agreement that is currently in arbitration before the Florida Public Service Commission. First, you are mistaken that Ms. Kester provided me with a copy of Exhibit A attached to your letter when Mr. Finlen and I were in Miami to negotiate the new interconnection agreement with Supra. In any event, after reviewing Exhibit A to your letter, I am not certain what information you are asking BellSouth to provide. Your Exhibit A appears to be a suggested template for carriers to utilize when negotiating to interconnect their networks. The document specifically states that it should be used in joint planning sessions, and it merely provides topics that should be considered and discussed. Certainly, we are happy to discuss with you any issues relating to the new interconnection agreement. In fact, the purpose of our negotiation meetings was to discuss the issues related to the proposed agreement. However, the Florida Staff has specifically asked that we hold an Intercompany Review Board meeting to discuss the issues that are currently in arbitration. Further, in reviewing Exhibit A attached to your letter, I cannot ascertain what information you are asking BellSouth to provide.

As for your request for cost studies, BellSouth will provide cost studies for the unbundled network elements set forth in your agreement. We will need Supra to execute a confidentiality agreement with respect to such cost studies, but we will then make them available for your review. Cost studies relating to all services BellSouth may offer, regardless of whether those services are made available under the interconnection agreement, are neither available nor relevant to the new interconnection agreement.

[1] Although Supra's letter was dated April 4, 2001, it clearly should have been dated April 5, 2001. The fax cover sheet was dated April 5, 2001, a ellSouth dated April 5, 2001.

SUPRA

EXHIBIT: OAR 15

Notwithstanding any of the foregoing, there is no reason to delay the Intercompany Review Board meeting. We will cooperate with Supra in providing specific requested information that is relevant to the new interconnection agreement, and we can discuss the information you would like to receive when the parties meet. Again, please review the dates and times I suggested for a meeting in my letter of April 5, 2001, and let me know when Supra is available to meet with regard to this topic.

Sincerely,

Parkey D. Jordan

cc: Nancy White, Esq.
Phil Carver, Esq.
Jerry Hendrix
Pat Finlen

Adenet Medacier
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Email: amedacier@stis.com

April 10, 2001

Parkey D. Jordan, Esq.
BellSouth Telecommunications, Inc.
675 West Peachtree Street
Atlanta, Georgia 30375-0001

Re: Intercompany Review Board Meeting
Interconnection Agreement

Dear Ms. Jordan:

This is to acknowledge receipt of your letter dated April 9, 2001, and at the same time address issues pertaining to same. Be aware that Supra already executed a non-disclosure agreement in prior related matters. From a legal standpoint an additional execution is at best redundant.

You are mistaken that the FCC mandated template has not been communicated to you. Such was done by Ms. Kelly Kester, former Supra Counsel, in the presence of Messrs. Ramos and Buechele. Furthermore, that template was sent on or about April 26, 2000 by Supra to BellSouth's Finlen. Supra is seeking information regarding BellSouth's practices, policies and procedures for all the issues identified in the template so as to be able to identify the types of interconnection to be established by our two companies. I have enclosed a copy of the report *Increased Interconnection Task Group II Report Network Reliability Council.*

Supra is encouraged by BellSouth's assurance of cooperation. Supra is able to meet three business days after receipt of the responsive information from BellSouth. We look forward to your

Truly,

Adenet Medacier

Cc: Olukayode Ramos
Brian Chaiken, Esq.

SUPRA

EXHIBIT: OAR 16

Parkey D. Jordan
General Attorney

BellSouth Telecommunications, Inc.
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Telephone: 404-335-0794
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April 13, 2001

Via FACSIMILE (305-443-1078)
and
FEDERAL EXPRESS

Adenet Medacier, Esq.
Supra Telecom
2620 S.W. 27th Avenue
Miami, Florida 33133

Re: Intercompany Review Board Meeting – New Interconnection Agreement

Dear Mr. Medacier:

In response to your letter of April 11, 2001, I am aware that Supra signed a confidentiality agreement in connection with the pending commercial arbitration between our companies. However, that agreement was covers only information provided to Supra pursuant to the commercial arbitration. As the cost studies are not provided for purposes of the commercial arbitration, that agreement is not relevant. We are simply asking that Supra execute another similar agreement covering the cost studies to be provided. A nondisclosure agreement is attached for your review.

Mr. Medacier, I was unable to locate in my files the document you label in your April 11, 2001 letter as the report "Increased Interconnection Task Group II Report Network Reliability Council." This report, which you provided in full to me yesterday via overnight courier, is not something with which BellSouth is familiar, nor was BellSouth a party to the task force. More specifically, the pages that you reference as containing requests for information are simply suggested checklists to be used in joint planning with interconnecting carriers. You indicated in your April 11 letter, however, that you are seeking BellSouth's interconnection policies and practices. BellSouth posts a wide variety of information on its web site, including information about network interconnection. At www.interconnection.bellsouth.com, you can find such information. From the home page, click on "Local," "Guides and Technical References," and "Activation." From the final screen you can access the BellSouth Start-Up Guide, which has information concerning interconnection with BellSouth. This document, as well as other documents on the web site, contains information regarding interconnection with BellSouth, as you have requested.

I trust that Supra will no longer refuse to participate in an Intercompany Review Board meeting with BellSouth. Please let me know your availability for a meeting as soon as possible.

Sincerely,

Parkey D. Jordan

PDJ/jdd

Attachment

cc: Jerry Hendrix (via inter-department mail w/Attachment)
Pat Finlen (via inter-department mail w/Attachment)
Nancy White (via e-mail and interoffice delivery w/Attachment)
Phil Carver (via inter-department mail w/Attachment)

Supra Telecom

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April 25, 2001

VIA OVERNIGHT MAIL

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FRANK G. LAMANCUSA, ESQ.
DAVID STRICKLAND, ESQ.
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Market Disputes Resolution Division
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Re: Supra Telecom adv. BellSouth; Request for Accelerated Docket & Pre-filing Mediation

Gentlemen:

This letter is a follow-up to the April 24, 2001 conference call amongst your office, BellSouth and Supra. The purpose of this letter is to further characterize Supra's second issue from its March 15, 2001 correspondence to your office. This issue originates from BellSouth's violations of Sections 251 and 252 of the Communications Act as amended by the Telecommunications Act of 1996 (the "Act"), Paragraph 155 of the FCC First Report and Order, as well as Section 51.301 of the FCC rules, with respect to BellSouth's failure to negotiate, in good faith, the terms and conditions of a follow-on agreement.

Supra hopes that by further identifying specific harmful practices and showing the absence of any material factual dispute, that the FCC will consider the issues in this and Supra's March 15, 2001 correspondences appropriate for summary disposition and resolution on the accelerated docket procedure. The following are more detailed examples of practices through which BellSouth purposely avoids compliance with the requirements and intent of the Act and FCC rules.

Issue No. 2: BellSouth's failure to negotiate, in good faith, the terms and conditions of a follow-on agreement.

This issue involves Supra's attempts to obtain information necessary to negotiate the terms of a follow-on agreement between BellSouth and Supra, as well as the bad faith actions and inactions of BellSouth with respect to same. Information necessary to negotiate such an agreement includes, but is not limited to, BellSouth's own network's capabilities and functions.

BellSouth's bad faith actions and inactions are evident in the following two examples, BellSouth's refusal to respond and provide the necessary, requested information pursuant to the Network Reliability Council's template provided to BellSouth, and, BellSouth's premature filing of a petition to arbitrate the follow-on agreement before the Florida Public Service Commission ("FPSC").

A. The Network Reliability Council's Template.

On or about April 26, 2000, Supra sent correspondence to BellSouth requesting that BellSouth provide Supra with information regarding BellSouth's network which Supra reasonably required in order to negotiate with BellSouth. A true copy of this letter is attached hereto as **Exhibit A.** Furthermore, on or about August 8, 2000, Supra handed a copy of the same correspondence to BellSouth's attorney, Ms. Parkey Jordan, again asking for the responsive documents. This correspondence contained a copy of the *Network Interconnection Bilateral Template* prepared by the *Increased Interconnection Task Group II Report - Network Reliability Council.* Please note that a representative of BellSouth signed this report and that this report was designed by and for the use of ILECs. Any notion that BellSouth is unfamiliar with this template is disingenuous.

In Paragraph 155 of the FCC's First Report and Order, the FCC found that it would be reasonable for a requesting carrier to seek and obtain cost data relevant to the negotiation or information about the ILEC's network that is necessary to make a determination about which network elements to request to serve a particular customer. In Footnote 293 to Paragraph 155, the FCC noted that its federal advisory committee, the Network Reliability Council, had developed templates that summarize and list activities that need to occur when service providers connect their networks pursuant to defined interconnection specifications, or when they are attempting to define a new network interface specification, and, that as consensus recommendations from the Council, the FCC presumed the elements defined in the templates were "good faith" issues for negotiation.

BellSouth has either ignored Supra's requests or has stated that it does not understand the template. Supra's CEO has had at least six follow-up calls with BellSouth's Pat Finlen and Marcus Cathey. Pat Finlen is BellSouth's lead negotiator and Marcus Cathey is the designated head of BellSouth's account team for Supra. On two of those calls, after Supra went into great details to explain Supra's request, Mr. Finlen directed Supra to BellSouth's web site for the responsive information. If it is true that Supra never explained its requirements to BellSouth, why then did BellSouth inform Supra that the responsive information could be obtained off of BellSouth's web site? Only BellSouth can answer this question. BellSouth has ignored or refused to respond to these requests, in violation of Section 251(c)(1) of the Act, as amended, and 47 C.F.R. § 51.301. As a result, Supra has been severely disadvantaged in that it does not have the necessary, and required, information from which to even begin negotiations. BellSouth has made it impossible for Supra to negotiate on equal footing with BellSouth.

BellSouth's lack of response is a violation of: (a) Section 252 of the Act; (b) Paragraph 155 of the FCC First Report and Order; and (c) 47 CFR §51.301(c)(8). Section 51.301(c)(8) of the FCC rules provides:

> If proven to the Commission, an appropriate state commission, or a court of competent jurisdiction, the following practices, among others, violate the duty to negotiate in good faith:
>
> > (8) Refusing to provide information necessary to reach an agreement. Such refusal includes, but is not limited to:
> >
> > > (i) Refusal by an incumbent LEC to furnish information about **its** network that a requesting telecommunications carrier reasonably requires to identify the network elements that it needs in order to serve a particular customer; (Emphasis added).

B. The Petition for Arbitration.

On or about October 5, 1999, Supra adopted the June 10, 1997, BellSouth and AT&T Interconnection Agreement (the "Agreement"). The Agreement provides for its term, a termination date, and a time frame for the negotiations of a follow-on agreement. Most importantly, the Agreement provides for a procedure to be followed before either party files a petition with the FPSC for arbitration of such. BellSouth failed to follow this

procedure and prematurely filed a petition to arbitrate a follow-on agreement with the FPSC. See PSC Docket No. 00-1305-TP.

First, BellSouth failed to adhere to the procedural requirements of the Agreement. Section 2.3 of the General Terms and Conditions of the Agreement, provides, in pertinent part:

> Prior to filing a Petition [with the FPSC for a follow-on agreement] pursuant to this Section 2.3, the Parties agree to utilize the informal dispute resolution process provided in Section 3 of Attachment 1.

Section 3 of Attachment 1 provides:

> The Parties to this Agreement shall submit any and all disputes between BellSouth and [Supra] for resolution to an Inter-Company Review Board consisting of one representative from [Supra] at the Director-or-above level and one representative from BellSouth at the Vice-President-or-above level (or at such lower level as each Party may designate).

BellSouth failed to even request that this matter be submitted to an Inter-Company Review Board prior to filing its petition with the FPSC.

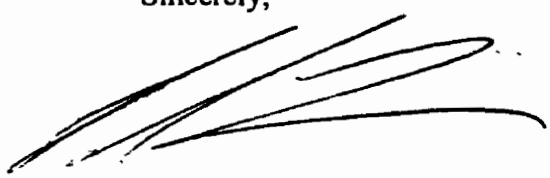
Second, BellSouth filed a never-before seen template agreement as its proposed language in the FPSC proceeding, all in an attempt to rush Supra and the FPSC into an arbitration for an agreement which will substantially favor BellSouth.

BellSouth has ignored Supra's request for information, has prematurely filed a petition (knowing that it had not followed contractual procedures) with the FPSC, filed a never-before seen template agreement with the FPSC, and has intentionally obstructed negotiations, all in an attempt to rush Supra into a follow-on agreement which will substantially favor BellSouth to the detriment of Supra and Florida telephone subscribers who have not benefited from the promotion of competition promised by the Act. BellSouth should not be allowed to benefit from this type of bad faith conduct.

As a result of BellSouth's bad faith actions, inactions and violations of the Act and FCC rules, Supra seeks FCC intervention.

If you have any questions or comments, please feel free to contact me at my office at (305) 476-4247.

Sincerely,



Paul D. Turner
Assistant General Counsel

PT/bs
Attachments

cc: J. Phillip Carver, Esq. (BellSouth)
Nancy B. White, Esq. (BellSouth)
Brian W. Chaiken, Esq. (Supra Telecom)
Mr. Olukayode Ramos (Chairman & CEO, Supra Telecom)

Supra Telecom

Adenet Medacier
Assistant General Counsel
2620 SW 27th Avenue
Miami, FL 33133-3001
Phone: (305) 476-4240
Fax: (305) 443-9516
Email: amedacier@stis.com

May 1, 2001

VIA FACSIMILE (404) 658-9022 and FEDERAL EXPRESS
Parkey D. Jordan, Esq.
General Attorney
BellSouth Telecommunications, Inc.
Legal Department – Suite 4300
675 W. Peachtree St.
Atlanta, Georgia 30375

Re: Inter-Company Review Board Meeting Regarding Follow-On Agreement

Dear Ms. Jordan:

This is in response to your letter dated April 13, 2001. First, your allegation that Supra has efused to participate at inter-company review board meetings with BellSouth is completely false. You re aware of Supra's position regarding this matter – Supra cannot engage in fruitful meetings regarding he follow-on agreement until Supra is in receipt of the responsive documents to its letter of **April 26, 000**. That position was articulated to all the BellSouth representatives present at the inter-company eview board meeting conference call of April 11, 2001 conducted as a result of BellSouth's refusal to rovide SMDI and Megalink services to Supra in order for Supra to provide its branded voice mail ervice. On the conference call held on April 24, 2001 between BellSouth, FCC and Supra, you stated upra's position correctly. Your blatant mischaracterization of Supra's position in your letter dated April 3, 2001 is disingenuous and an obvious attempt at legal positioning. BellSouth is yet to provide any nformation (including cost studies) to Supra necessary for the parties to begin negotiations of a follow-n agreement.

Second, your claim that the "Increased Interconnection Task Group II" report "is not something ith which BellSouth is familiar, nor was BellSouth a party to the task force" is disingenuous to say the ast. BellSouth's Neale Hightower was a member of the 15-member task force. The information Supra seeking is about BellSouth's network capabilities and functions. Supra uses UNE combinations rovided from BellSouth's network that must be interconnected with BellSouth's network. The follow-n agreement is between interconnecting carriers: Supra and BellSouth. Supra needs information garding BellSouth's network, in order for Supra to be able to negotiate on equal footing with ellSouth. Absent that information, Supra will not be able to negotiate with BellSouth. If you can point a specific website/page wherein BellSouth provides information regarding its own network, such

vould be useful. Pointing Supra to a website/page which speaks to what BellSouth provides CLECs, owever, is not fruitful. Supra would greatly appreciate it if BellSouth can either produce the ıformation or confirm its refusal to produce the information. Supra, at no point, has or will refuse to old an inter-company review meeting with BellSouth. Unfortunately, as has been proven numerous mes in the past, as a result of BellSouth's refusal to move even a fraction from its indefensible ositions, these meetings end with bitter words. We wish to avoid these results.

Very truly yours,

Adenet Medacier
Assistant General Counsel

:: Olukayode A. Ramos and Brian Chaiken, Esq. (Supra)
Jerry Hendrix (BellSouth)

** Transmit Conf. Report **

P. 1

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May 1, 2001

A FACSIMILE (404) 658-9022 and FEDERAL EXPRESS

rkey D. Jordan, Esq.
:neral Attorney
llSouth Telecommunications, Inc.
gal Department – Suite 4300
5 W. Peachtree St.
lanta, Georgia 30375

:: **Inter-Company Review Board Meeting Regarding Follow-On Agreement**

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May 8, 2001

VIA FACSIMILE (404)614-4054 and U.S. MAIL
Parkey D. Jordan
General Attorney
BellSouth Telecommunications, Inc.
675 West Peachtree Street
Suite 4300
Atlanta, Georgia 30375-0001

Re: Follow-on Agreement

Dear Ms. Jordan:

Supra hereby acknowledges receipt of the Cost Study information. I trust that by now you have reviewed my May 2nd's response to BellSouth's alleged lack of familiarity concerning Supra's request for information contained in the Network Interconnection Bilateral Agreement Template. Supra awaits the necessary information regarding BellSouth's network.

I am promptly expecting BellSouth's response to my letter dated May 2, 2001.

Truly,

Adenet Medacier
Assistant General Counsel

Cc: Brian Chaiken
Olukayode Ramos

SUPRA

EXHIBIT: OAR 20

BELLSOUTH

BellSouth
Suite 900
1133-21st Street, N W
Washington, D C 20036-3351

whit.jordan@bellsouth.com

W. W. (Whit) Jordan
Vice President-Federal Regulatory

202 463-4114
Fax 202 463-4198

May 18, 2001

VIA HAND DELIVERY

Frank G. Lamancusa, Esq.
David Strickland, Esq.
Enforcement Bureau
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: BellSouth's Response to Supra's Request for Inclusion of a Dispute with BellSouth on the Commission's Accelerated Docket

Gentlemen:

This letter is in response to allegations of bad faith made by Supra Telecommunications & Information Systems, Inc. ("Supra") against BellSouth Telecommunications, Inc. ("BellSouth") regarding BellSouth's negotiating and collocation practices. The allegations are without merit and fail to state a claim upon which relief can be granted. Moreover, because of the potentially complex factual discovery that would be necessary to resolve the dispute, inclusion on the Commission's accelerated docket is impracticable and should be denied.

I. INTRODUCTION

Supra filed letters with the Enforcement Bureau ("Bureau") alleging that BellSouth acted in bad faith in its attempts to negotiate an interconnection agreement with Supra and to provide Supra with collocation space within BellSouth's central offices. These allegations identify isolated events, which Supra purposefully distorted to try to support a claim that BellSouth has acted in bad faith. The facts will clearly demonstrate that BellSouth has not acted in bad faith. Beyond those allegations, however, the facts also show it is Supra that has acted in bad faith in its negotiations with BellSouth. The Commission's rules regarding good faith negotiations are not unilateral. Supra is under an equal obligation to negotiate in good faith with BellSouth.[1] Supra, however, has taken every opportunity to avoid entering into a new Interconnection Agreement with BellSouth even though its current Interconnection Agreement expired on June 9, 2000. Supra's actions illustrate its recalcitrant attitude toward negotiations. Supra clearly desires to maintain its current contract and not negotiate a new one. That contract, however, was

[1] *See* 47 C.F.R. § 51.301(b) SUPRA

negotiated approximately 5 years ago and significant changes have since occurred in both the BellSouth network and Commission rules. BellSouth has expended substantial resources to develop and modify its procedures and its systems to implement those changes. Accordingly, the parties must move forward with a new contract. Nevertheless, Supra has consistently created roadblocks and used every conceivable tactic to delay BellSouth and the Florida Public Service Commission ("FPSC") in this effort.

BellSouth sets forth in this document the facts surrounding its relationship with Supra. They are lengthy and in many cases are at direct odds with assertions made by Supra. Accordingly, because of the time constraints, BellSouth does not believe that the issues are suitable for an accelerated docket proceeding. Moreover, jurisdictional issues prevent the matter from being included on the docket.[2] Notwithstanding these issues, if the Bureau accepts the case for the accelerated docket, BellSouth anticipates filing a counter-claim of bad faith against Supra. This response will make BellSouth's reasoning for such a claim abundantly clear.

II. SUPRA's NEGOTIATION CLAIMS

A. History of Negotiation

An understanding of the relationship between Supra and BellSouth is necessary for the Bureau to properly respond to Supra's claims. On October 5, 1999, Supra adopted the BellSouth/AT&T interconnection agreement ("AT&T Agreement" or "Interconnection Agreement"). While the AT&T Agreement expired by its terms on June 9, 2000, Section 2.3 of the General Terms and Conditions of the AT&T Agreement provides that "[U]ntil the Follow-On Agreement becomes effective, BellSouth shall provide Services and Elements pursuant to the terms, conditions and prices of this Agreement that are *then in effect*."[3] Thus, the parties are continuing to operate under the terms of the AT&T Agreement until such time as a new agreement is executed. Section 2.2 of the General Terms and Conditions of the AT&T Agreement provides that the parties will commence negotiations of a "Follow-On" agreement 180 days prior to expiration of the AT&T Agreement. Pursuant to such provision, on March 29, 2000, Mr. Pat Finlen, Director, Interconnection Services for BellSouth ("Mr. Finlen") notified Supra that BellSouth desired to commence renegotiation of the parties' Interconnection Agreement.[4]

In response to Mr. Finlen's March 29, 2000 letter, Mr. Olukayode Ramos, Chairman and CEO of Supra ("Mr. Ramos") by letter dated April 26, 2000, stated that BellSouth should permit

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2 *See* Section IV. Jurisdiction, *infra*.

3 Section 2, 3 of the General Terms and Conditions of the AT&T Agreement (emphasis added). A copy of the pertinent sections of the AT&T Agreement is attached as Exhibit 1. BellSouth can provide a copy of the full agreement should the Bureau need it.

4 A copy of the letter from Mr. Finlen to Mr. Ramos, dated March 29, 2000, is attached as Exhibit 2.

Supra to utilize the AT&T Agreement throughout BellSouth's nine state region.[5] Of course, Supra was not certified in all such states, nor was the AT&T Agreement filed and approved in any state other than Florida, as Mr. Finlen points out in his May 3, 2000 response.[6] Mr. Ramos did not mention renegotiation of the soon-to-expire AT&T Agreement.

On June 5, 2000, BellSouth again requested that Supra negotiate a new interconnection agreement with BellSouth.[7] On June 7, 2000, Mr. Mark Buechele, Supra's counsel ("Mr. Buechele"), claimed that Mr. Finlen had agreed with Mr. Ramos to allow Supra to maintain the AT&T Agreement.[8] There is no documentation concerning such an agreement. To the contrary, BellSouth's correspondence clearly indicates that BellSouth, pursuant to the AT&T Agreement, intended to negotiate a new interconnection agreement with Supra.[9] In correspondence dated June 9, 2000, June 12, 2000, and June 19, 2000, Mr. Buechele indicated Supra's willingness to negotiate with BellSouth but requested to use the AT&T Agreement as a starting point for negotiations for an interconnection agreement not only in Florida, but also in Georgia and Louisiana.[10] However, because of the substantial changes in the telecommunications industry since the negotiation of the AT&T Agreement, BellSouth believed that using the AT&T Agreement as the base agreement or template would be difficult.

On July 20, 2000, in an effort to compromise with Supra regarding the document from which the parties would begin negotiations, Mr. Finlen forwarded to Mr. Buechele the agreement that AT&T and BellSouth were currently negotiating as a replacement for the AT&T Agreement.[11] BellSouth then contacted Supra and suggested that the parties meet as soon as possible to schedule substantive negotiations.

On August 7 and 8, 2000, Mr. Finlen and Ms. Parkey Jordan, BellSouth Legal Department ("Ms. Jordan") traveled to Miami to meet with Supra regarding the new interconnection agreement. On the first day of these meetings, Mr. Buechele discussed some general issues of concern to Supra. Supra did not propose contract language or comment on

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5 A copy of the letter from Mr. Ramos to Mr. Finlen dated April 26, 2000, is attached as Exhibit 3.

6 A copy of the letter from Mr. Finlen to Mr. Ramos, dated May 3, 2000, is attached as Exhibit 4.

7 A copy of the letter from Mr. Finlen to Mr. Ramos, dated June 5, 2000, is attached as Exhibit 5.

8 A copy of the letter from Mr. Buechele to Ms. Jordan, Senior Operations Counsel for BellSouth ("Ms. Jordan"), dated June 7, 2000, is attached as Exhibit 6.

9 A copy of the letter from Ms. Jordan to Mr. Buechele dated June 8, 2000, is attached as Exhibit 7.

10 Copies of letters from Mr. Buechele to Ms. Jordan dated June 9, 2000, June 12, 2000, and June 19, 2000 and copies of the letters from Ms. Jordan to Mr. Buechele dated June 13, 2000 and July 3, 2000, are attached as Exhibit 8.

11 A copy of the letter from Mr. Finlen to Mr. Ramos, dated July 20, 2000, is attached as Exhibit 9.

BellSouth's proposed contract language but simply raised a few issues that Supra wanted to address. The parties then began going through the proposed interconnection agreement that Mr. Finlen had forwarded to Supra on July 20, 2000, starting with general terms. It quickly became clear that Mr. Buechele had not read the proposed agreement and was not prepared to discuss it in detail. During the two-day meeting, the parties covered no contract language other than general terms and conditions of the proposed agreement.

Because the window for filing for arbitration pursuant to the AT&T Agreement was fast approaching, BellSouth set up additional conference calls with Supra to negotiate the agreement. Supra did not initiate any negotiation meetings, rather all meetings were initiated by BellSouth.

On September 1, 2000, BellSouth filed a petition for arbitration of the new interconnection agreement with Supra. BellSouth raised 15 issues that had been discussed during the negotiations. On October 18, 2000, Supra filed its response to BellSouth's petition, raising an additional 51 issues that had never been discussed or even mentioned during the parties' negotiations. The majority of these issues were copied verbatim from arbitration petitions filed previously in Florida by AT&T and MCIWorldCom.

B. Inclusion of Advertising Clause

Supra's first allegation of bad faith concerns an advertising campaign Supra began in Florida. As part of this campaign, Supra used the BellSouth name inappropriately in violation of the Lanham Act.[12] The advertising campaign began in late May of 2000. BellSouth became aware of the campaign when one of its employees received a brochure in the mail.[13] Upon receiving this information, BellSouth notified Supra that the use of the BellSouth name in the manner set forth in the brochure was a violation of its interconnection agreement and was also misleading, which constituted a violation of the Lanham Act.[14] In a letter dated June 19, 2000, Ms. Leah Cooper, Operations Counsel for BellSouth ("Ms. Cooper"), demanded that Supra cease and desist this improper use of the BellSouth marks.[15]

Supra responded to BellSouth's demand letter on July 3, 2000, stating that the brochure received by the BellSouth employee was presumably printed and mailed by accident. Supra assured BellSouth that the brochure would not be used in the future as printed. Supra went on to state, however, that it could use the BellSouth name in comparative advertising without violating the Lanham Act. Moreover, Supra contended that since BIPCO was not a party to the Interconnection Agreement, then Supra's use of the BellSouth marks did not violate the

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12 *See* 15 U.S.C.A. § 1051 *et. seq.*

13 A copy of the brochure is attached as Exhibit 10.

14 BellSouth Intellectual Property Corporation ("BIPCO"), a wholly owed affiliate of BellSouth Corporation, owns all BellSouth marks. BIPCO licenses the use of the marks to BellSouth Corporation and its subsidiaries.

15 A copy of the letter from Ms. Cooper to Mr. Ramos, dated June 19, 2000, is attached as Exhibit 11.

agreement.[16] Supra continued with its advertising campaign, including the prominent placement of several outdoor billboards around the South Florida area.[17]

BellSouth responded to Supra's letter on July 11, 2000, informing Supra that unauthorized use of a company's marks infringes on the company's trademark rights and constitutes an act of unfair competition and dilution under both federal and state law. This cause of action is available to BIPCO, as owner of the BellSouth marks, regardless of whether BIPCO is in a contractual relationship with the unauthorized user. Moreover, BellSouth informed Supra that because BIPCO licensed the marks to BellSouth Telecommunications, Inc., the contractual party to the Interconnection Agreement, unauthorized use of the marks was a violation of the Interconnection Agreement.[18]

Supra continued with its advertising campaign including the unauthorized use of the BellSouth marks.[19] On September 19, 2000, BellSouth once again wrote Supra informing it of its discovery of additional improper advertisements and again demanded that Supra cease and desist this improper use of the BellSouth marks. In this letter, BellSouth specifically quoted the governing clause of the Interconnection Agreement. Moreover, BellSouth again warned Supra that the use of the marks as they appear in Supra's campaign constituted an act of unfair competition and dilution under both federal and state law.[20] Supra responded with the October 6, 2000 letter that Supra attached to its March 15, 2001 letter to the Bureau.

Despite the numerous warnings of BellSouth, Supra continued with its unlawful advertising campaign. Accordingly, BIPCO filed suit against Supra in United States District Court for Lanham Act and Florida adverting law violations.

Supra's allegations in the March 15, 2001 letter to the Bureau appear to be based on two points. First, Supra contends that BellSouth acted in bad faith by not allowing Supra to adopt Section 9.1 of the interconnection agreement between BellSouth and MGC Communications, Inc., d/b/a MPower Communications Corporation ("MPower"). Second, Supra alleges that BIPCO's filing a lawsuit for violations of the Lanham Act "circumvented the mandatory arbitration requirement of the parties' Interconnection Agreement." Neither of these claims describes bad faith acts by BellSouth. Indeed, the facts demonstrate just the opposite.

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[16] A copy of the letter from Mr. Buechele to Ms. Cooper, dated July 3, 2000, is attached as Exhibit 12.

[17] Pictures of these billboards are attached as Exhibit 13.

[18] A copy of the letter from Ms. Cooper to Mr. Buechele, dated July 11, 2000 is attached as Exhibit 14.

[19] *See* copy of the letter from Ms. Cooper to Mr. Buechele, dated August 22, 2000, attached as Exhibit 15.

[20] A copy of the Letter from Ms. Cooper to Mr. Buechele, dated September 19, 2000 is attached as Exhibit 16.

Supra's first allegation fails because it does not accurately reflect the facts, but even if it did, the claim is moot. The facts are clear that Supra did not properly attempt to have the MPower clause incorporated into its Interconnection Agreement. To begin, Supra's Interconnection Agreement expired on June 9, 2000. The language of its Interconnection Agreement clearly states that after expiration and until a follow-on agreement is executed, the parties will continue to operate under the terms of the Interconnection Agreement "then in effect."[21] The Interconnection Agreement does not contemplate amendments to the agreement after expiration, whether by adoption or otherwise.

Moreover, the facts demonstrate that BellSouth has long been attempting to negotiate a new agreement with Supra. The letter of October 6, 2000, which Supra references as the source of its adoption request, is a letter from Mr. Buechele to Ms. Cooper, which was written in response to a letter from Ms. Cooper. Ms. Cooper's letter was simply a notification to Supra that Supra was misusing BellSouth's trademarks. Mr. Buechele included in his two-page response to Ms. Cooper one sentence requesting adoption of the MPower clause. Mr. Buechele had been working with Ms. Jordan and Mr. Finlen on the new agreement negotiations. Not only had BellSouth and Supra exchanged numerous pieces of correspondence on the matter, but also Ms. Jordan and Mr. Finlen had participated in a multi-day negotiation session in Miami with Mr. Buechele. Mr. Buechele therefore knew the proper channel to discuss the inclusion of the clause in Supra's Interconnection Agreement was with Ms. Jordan. Instead of following this channel, Mr. Buechele made the request in one letter to Ms. Cooper, who has never been involved in the negotiation process. Significantly, Supra never raised the issue further. Had Mr. Buechele properly made the request of Ms. Jordan in the proper channel of negotiation, Ms. Jordan and Mr. Finlen could have considered the language for the on-going negotiations. Indeed, BellSouth contract negotiators, prior to learning of Supra's infringing and misleading advertising campaigns, offered language for the new interconnection agreement that permits Supra to engage in truthful and lawful comparative advertising. Supra did not agree to the language, yet never proposed an alternative. Instead, it raised the issue in its response to 'BellSouth's petition for arbitration before the FPSC. BellSouth's actions in all negotiations with Supra were in good faith.

Even if Supra had acted appropriately in adoption of the MPower clause, Supra's claims are moot because the clause could not have been included in Supra's current Interconnection Agreement nor would it have protected Supra from its unlawful acts.[22] Mr. Buechele wrote the letter to Ms. Cooper requesting the adoption of the MPower advertising clause after Supra's Interconnection Agreement had already expired. Accordingly, even if Mr. Buechele had followed the proper notification channel for amending Supra's agreement, any amendment could

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[21] Section 22.7 of the General Terms and Conditions of the AT&T Agreement provides that Supra will not use the logos, trademarks or service marks of BellSouth in sales and advertising without BellSouth's prior approval. Supra violated this provision of the interconnection agreement prior to any alleged request to adopt a different provision.

[22] Clearly, Supra's intent in even asking to adopt the clause was an attempt to avoid responsibility for its improper past advertising acts.

not have taken place after the agreement had expired. Such a practice, if permitted, would allow a party to maintain an agreement in perpetuity by simply adopting the term clause from another agreement each time the expiration date for its agreement approached. This would create a unilateral term provision. Moreover, had Supra followed the proper procedure for amending its agreement and had the agreement still been effective, the clause would only have been effective from the date of the amendment forward. The advertising practices followed by Supra obviously took place prior to Supra even requesting that the advertising clause be amended. Thus, the advertising campaign would still have been in violation of Supra's Interconnection Agreement. Finally, even if the MPower clause could have been properly included in the Supra Interconnection Agreement, it would have provided Supra no protection in the lawsuit filed by BIPCO. The clause only allows for MPower to conduct valid comparative advertising. As discussed below, the advertising conducted by Supra was not valid comparative advertising. In fact, the United States District Court granted BIPCO a preliminary injunction requiring Supra to amend its advertising campaign because BIPCO has a substantial likelihood of prevailing on its Lanham Act claims. Thus, BellSouth's actions were not in bad faith.

In sum, Supra's claim has no merit. Supra made one purported adoption request. The request constituted a single sentence buried in a letter responding to BellSouth's notice of trademark infringement, and the letter was addressed to a BellSouth attorney who is not involved in Supra's negotiations. Supra, knowing full well the BellSouth representatives responsible for negotiations with Supra, failed to copy those representatives on the letter containing the request. Significantly, Supra never again mentioned to its negotiator that it wanted to adopt any portion of the MPower agreement. It instead opted to file this complaint.

Supra's second allegation is equally without merit. The Bureau must agree that BIPCO, as owner of the BellSouth marks, has an independent cause of action available to it against any entity that commits a violation of federal and state trademark laws that infringes on BIPCO's trademark rights. This cause of action is established by federal statute, and in fact, although BellSouth, as licensee of the BellSouth marks has the right to limit third party use of the marks in its agreements, BIPCO, as owner of the marks, is the only party that may bring an action under the trademark law in this matter.[23] Accordingly, when Supra refused to stop its unlawful advertising practices, BIPCO exercised its statutory rights and filed suit in federal court.[24] Upon filing the suit, BellSouth also filed a Motion for Preliminary Injunction asking the court to have Supra stop its advertising campaign and remove the billboards that it had in place. In Supra's brief opposing the motion for preliminary injunction, Supra argued that the issue was a dispute

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[23] *See* 15 U.S.C. §§ 1114(1), 1125(a), (c) (providing a remedy to "the registrant," "any person...likely to be damaged," and "the owner of a famous mark," respectively).

[24] *BellSouth Intellectual Property Corp. v. Supra Telecommunications & Information Systems, Inc. et al.*, Case No. 00-4205-CIV-GRAHAM/TURNOFF (S.D. Fla. filed Nov. 3, 2000). It is ironic that Supra even suggests that the filing of a suit by BIPCO was in violation of the Interconnection Agreement considering that when BellSouth first approached Supra about ceasing its unlawful practices Supra dismissed the request on the grounds that BIPCO is not a party to the Interconnection Agreement. *See* Exhibit 12.

subject to the arbitration provisions of the Interconnection Agreement.[25] BellSouth disagreed, setting forth its rebuttal in its reply brief.[26] With the issue being presented and briefed before the court, the court proceeded with BIPCO's complaint and motion. The court granted BIPCO a preliminary injunction on most of its requests.[27]

BellSouth conducted research on whether BIPCO could file a complaint in federal court or if its claims were subject to the arbitration clause of the Interconnection Agreement. This research revealed that BIPCO could file the claim. These acts alone are sufficient to defeat any claims of bad faith. The federal court's acceptance of jurisdiction over the complaint not only validates BIPCO's actions but also bars any claim of bad faith on the part of any BellSouth entity.

C. Negotiation of New Interconnection Agreement

Supra claims that BellSouth has failed to negotiate in good faith a "follow-on" Agreement to replace the expired AT&T Agreement. Supra's March 15, 2001 letter to the Bureau alleges that BellSouth "has refused to provide information about its network necessary to reach an agreement." Additionally, Supra alleges that BellSouth "(i) prematurely filed an arbitration petition...; (ii) intentionally obstructed negotiations; and (iii) filed a never before seen template agreement as its proposed language in the arbitration proceeding...." All of these statements are complete fabrication. The Bureau requested additional information from Supra regarding these claims. Supra filed a supplemental letter with the Bureau on April 25, 2001 in which it made further allegations regarding the provision of information and the arbitration proceeding.

1. Request for Information

In its March 15, 2001 and April 25, 2001 letters to the Bureau, Supra alleges that it sent a template to BellSouth requesting BellSouth to provide "all the information" from the template. In its letter to the Bureau, Supra characterizes this information as relating to BellSouth's network. Supra alleges that the information from the templates is necessary for Supra to negotiate an interconnection agreement with BellSouth. As discussed below, the templates were never developed for the purpose of serving as a request for information from one carrier. Indeed, Supra's request as posed is nonsensical.

First, BellSouth disputes the facts as presented by Supra. Supra attached as an Exhibit to its March 15, 2001 letter to the Bureau a letter dated April 26, 2000 from Mr. Ramos to Mr. Finlen requesting information related to the templates. In its supplemental letter to the Bureau, Supra alleges that Mr. Ramos had at least two conversations with Mr. Finlen in which Mr. Ramos described Supra's request in detail. Additionally, Supra claims that it provided the template again to Ms. Jordan on August 8, 2000, when Mr. Finlen and Ms. Jordan flew to Miami

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25 A copy of Supra's opposition brief is attached as Exhibit 17.

26 A copy of BIPCO's reply brief is attached as Exhibit 18.

27 A copy of the Order Granting Preliminary Injunction is attached as Exhibit 19.

to negotiate the new interconnection agreement. Mr. Finlen and Ms. Jordan have searched their files thoroughly and cannot find a copy of Mr. Ramos' letter or the template nor do they recall receiving the templates. Moreover, Mr. Finlen does not recall discussing the templates with the Supra CEO. In fact, the first knowledge BellSouth has of Supra's request for the templates is in a letter from Adenet Medacier, Supra's Assistant General Counsel ("Mr. Medacier"), to Ms. Jordan on April 4, 2001. [28] Upon receiving that letter from Mr. Medacier, Ms. Jordan responded with a request for clarification of the specific information Supra was requesting. [29] Supra has never provided BellSouth with any specificity regarding its request.

The facts are in dispute regarding when BellSouth actually received Supra's request regarding the templates. BellSouth does not make any specific accusations about the differences in the facts, but points out to the Bureau that even if Supra requested the information as it presented to the Bureau, Supra placed a very low priority on obtaining the information from BellSouth. Supra made only one alleged documented request for the information. Supra never again requested the information from BellSouth in any of the correspondence between the parties regarding negotiations, which went on for a period of several months. Moreover, Supra failed to raise any issue regarding the template in its response to BellSouth's petition for arbitration regarding the new interconnection agreement, nor were any of Supra's enumerated issues contained within its response related to issues raised in the template. In fact, it was not until the FPSC Staff recommended and the FPSC approved that the parties meet again in an Intercompany Review Board meeting to discuss the issues raised in the arbitration that Supra mentioned the template, stating, in response to BellSouth's requests for such a meeting, that it would not meet with BellSouth until BellSouth provided all the information from the template.[30]

One would logically conclude that if the information was necessary for Supra to negotiate, Supra would have raised this issue before the FPSC. Section 252(b)(4)(B) authorizes the state commission to require the parties "to provide such information as may be necessary for the state commission to reach a decision on the unresolved issues." That section also provides that if either party "fails unreasonably to respond on a timely basis to any reasonable request from the state commission, then the state commission may proceed on the basis of the best information available to it from whatever source derived." Supra's failure to bring up the alleged request and need for the information before the state commission casts doubt on its request.

Regardless of the facts, even if Supra had requested the information as it alleges, the request itself is clearly unreasonable. As Supra states, the templates were included in the

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[28] A copy of the letter from Mr. Medacier to Ms. Jordan, dated April 4, 2001, is attached as Exhibit 20.

[29] *See* copy of letter from Ms. Jordan to Mr. Medacier, dated April 9, 2001, attached as Exhibit 21. In this letter Ms. Jordan disputes Supra's claim that she was provided a copy of the templates in Florida.

[30] *See* copies of letters from Mr. Medacier to Ms. Jordan dated April 11, 2001, May 1, 2001, and May 8, 2001 and copies of letters from Ms. Jordan to Mr. Medacier, dated April 13, 2001 and May 9, 2001, attached as Exhibit 22.

Increased Interconnection Task Group II Report prepared by the Network Reliability Council,[31] the predecessor to Network Reliability and Interoperability Council ("NRIC"). The task group was formed to look at network reliability issues within the public switched telephone network ("PSTN") as a result of the increasing number of service providers, including wireless, cable, and local providers, requiring interconnected networks that are now forming the national telecommunications network infrastructure. The report was issued in January of 1996, a month before the Telecommunications Act of 1996 became law.[32] The templates were intended to act as a guide to parties, for planning purposes that were contemplating establishing an interface between their networks. The introduction to the templates clearly states that the templates should be used as a guide for discussion of specific types of interfaces. It states, "The following worksheet should be used during the joint planning sessions between interconnecting service providers. This is an outline of the minimum set of topics that need to be addressed in bilateral agreements for critical interconnections." Thus, for these templates to have any rational meaning, Supra would have to first identify the types of interconnection interfaces that its plans on implementing in its network. Based on these types of interconnection interfaces the parties would use the templates as a guide for negotiating to ensure that they have covered all issues that might arise when actually implementing the agreed-to forms of interconnection. Provision of all possible information on all topics listed in the templates is impossible and Supra's request that BellSouth do so is an unreasonable request.[33]

BellSouth has never ignored Supra's requests for information. Rather, Supra has ignored responses by BellSouth and BellSouth's requests for Supra to provide more specific explanations of information it seeks to obtain. Supra has no evidence of any violation on BellSouth's part of Section 252 of the Act, of the First Report and Order, or of 47 C.F.R. § 51.301(c)(8). Further, Supra's reference to 47 C.F.R. § 51.301(c)(8)(i) substantiates BellSouth's position. That rule states that the ILEC must furnish information about its network to the extent reasonably required by the CLEC to *identify the network elements the Competitive Local Exchange Carrier ("CLEC") needs to serve a particular customer*. The rule contemplates specificity and to date Supra has provided none.

2. Filing of the Petition for Arbitration

Supra also claims that BellSouth prematurely filed a petition for arbitration. Supra is mistaken. The right to file for arbitration is specifically established by statute. Moreover, the

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31 A copy of the Task Group II Report is attached as Exhibit 23.

32 The task force was not created to develop a plan of implementation for the 1996 Act interconnection requirement. It was developed to address network reliability as a result of past network failures.

33 The Bureau should consult with the Office of Engineering and Technology ("OET") on this matter. BellSouth believes that OET can confirm BellSouth's position on this matter. Also, Bellsouth can provide affidavits of committee members if the Bureau so desires. Moreover, in every negotiation for interconnection that BellSouth has participated with CLECs, BellSouth has never had a similar request for information from any other CLEC.

AT&T Agreement, which Supra chose to adopt, provides for when negotiations for the new interconnection agreement should commence and when either party should file for arbitration.[34] BellSouth followed these time-lines and appropriately filed the arbitration petition. BellSouth admits that it overlooked the provision in Section 2.3 to conduct a formal Intercompany Review Board meeting prior to filing an arbitration petition. Supra, however, did not raise this issue during the negotiation meetings or in its response to the arbitration petition. In fact, in response to the petition, Supra filed additional issues that the parties had never discussed during the negotiations. In addition, on January 8 and January 23, 2001, BellSouth and Supra participated in issue identification with the FPSC Staff. At these meetings, Supra never mentioned that the parties had not held an Intercompany Review Board meeting pursuant to the Agreement. The first time Supra raised the issue that BellSouth failed to request the Intercompany Review Board meeting prior to filing the arbitration petition was in its motion to dismiss the arbitration filed on January 29, 2000. The FPSC has approved an order requiring the parties to meet but refused to dismiss BellSouth's arbitration petition.[35]

Since Supra pointed out the parties' oversight regarding the Intercompany Review Board meeting, BellSouth has been attempting to schedule such a meeting. Supra has refused to participate in such a meeting until BellSouth provides the information set forth in the template.[36]

Clearly, Supra is using this oversight to avoid entering into a new interconnection agreement with BellSouth. Supra had ample opportunity to raise the issue of the Intercompany Review Board meeting during negotiations, when it filed its response to BellSouth's petition or during subsequent meetings with the FPSC Staff, but failed to do so. Supra, in fact, added issues to the arbitration, issues. This incident in no way gives rise to a claim of bad faith on BellSouth's part.

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[34] See § 2 of the General Terms and Conditions of the AT&T Agreement attached as part of Exhibit 1.

[35] See FPSC Staff Recommendation dated March 23, 2001. On April 17, 2001 the FPSC voted to accept the Staff recommendation. An order is forthcoming. A copy of the FPSC Staff recommendation along with the voting sheets signifying the Florida Commissioners' approval are attached as Exhibit 24. At the second issue identification meeting with the FPSC Staff, the Staff learned that Supra had raised 50 or so additional issues but had not proposed language to BellSouth or the FPSC. The Staff ordered both parties to file proposed language by January 31. Supra never filed language (nor did it file its version of the interconnection agreement that it said it represented to the FPSC Staff it would be proposing). Instead, it filed a motion to dismiss the arbitration on the grounds that BellSouth did not initiate an Intercompany Review Board meeting prior to filing the arbitration petition. The Staff denied Supra motion and ordered both sides to conduct an Intercompany Review Board meeting. BellSouth has been attempting to conduct this meeting, but Supra has refused.

[36] See discuss of templates, Section II C.1., *supra*. A copy of the letter from Ms. Jordan to Mr. Medacier dated April 5, 2001 is attached as Exhibit 25. *See also*, letters attached as Exhibit 22.

3. BellSouth's Alleged Intentional Obstruction of Negotiations

Supra submits no facts supporting its allegation that BellSouth has "intentionally obstructed negotiations" of the new interconnection agreement. In fact, the correspondence set forth in Exhibits 2 through 9 hereto clearly reflects that BellSouth has made every effort to negotiate with Supra while Supra devises obstacles to the negotiation process.

4. BellSouth's Alleged Filing of a Different Proposed Interconnection Agreement with its Arbitration Petition

Supra alleges that with the petition for arbitration of the new interconnection agreement, BellSouth "filed a never-before seen template agreement." This statement is absolutely false. When BellSouth commenced negotiations for the new interconnection agreement, it proposed its standard form interconnection agreement as a starting point for negotiations. Supra resisted entering into negotiations, stating that it wanted to keep the AT&T Agreement and that it would adopt the new agreement between BellSouth and AT&T upon execution of that agreement.[37] AT&T was in negotiations with BellSouth at that time for its new interconnection agreement. As a compromise, BellSouth agreed to commence negotiations with Supra using the new document being negotiated between BellSouth and AT&T. Of course, the document was not final but had been substantially negotiated by AT&T. Mr. Finlen forwarded the AT&T template to Supra on July 20, 2000.[38]

When Mr. Finlen and Ms. Jordan flew to Miami in an effort to negotiate with Supra, the parties, both BellSouth and Supra, were working from the new AT&T template, the same document BellSouth filed with the arbitration petition. Although BellSouth would have preferred to file its own standard template with the arbitration petition, it agreed with Supra to use the new AT&T template instead. Whether Supra has ever read the proposed agreement is not within BellSouth's control. The document, however, has been in Supra's possession since approximately July 21, 2000.

In sum, the evidence is clear that BellSouth has made every effort to negotiate with Supra in good faith, despite Supra's efforts to thwart the negotiations process. Supra's claims to the contrary should be summarily dismissed.

III. COLLOCATION

This issue is not new to the Bureau. Supra's current letter to the Bureau, however, falls far short of presenting the facts related to this matter. A history of the facts fully demonstrates that BellSouth has acted in good faith in all its dealings with Supra regarding collocation and that Supra's claims are without merit.

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37 *See* correspondence in Exhibits 2 through 9.

38 *See* letter attached as Exhibit 9.

The genesis of Supra's claim is the request for collocation in BellSouth's central offices in Florida. The terms and conditions of Supra's collocation agreement required Supra to submit proper information regarding the equipment to be collocated so that BellSouth could determine the amount of floor space and engineering requirements, such as space preparation, which are necessary for collocation. Pursuant to its collocation agreement, Supra pays the actual costs necessary to prepare the space. Further, when Supra wants to obtain collocation space in a central office, it must submit an application to BellSouth that provides specific data regarding its collocation needs. BellSouth analyzes the application to determine if space is available in the central office and, if so, works to provide an initial cost estimate for the space preparation work that will be necessary to ready the site for Supra's collocated equipment.

The initial estimate is prepared using all available information at the time of the estimate; however, many factors can impact this estimate. For example, unexpected construction costs, changes in the amount, type or configuration of Supra's equipment, and the number of other CLEC's that also are seeking collocation in the same central office,[39] are all factors that are not usually known at the time of the initial estimate. These factors can cause the cost estimate to increase or decrease. Accordingly, Supra was informed in its collocation agreement that the initial estimate is in fact merely an estimate that is subject to true-up once all costs are incurred. After completing the initial estimate, BellSouth tenders this initial cost estimate to Supra. If the Supra wishes to proceed, it must then submit a "firm order" to BellSouth along with money in the amount of fifty percent (50%) of the initial cost estimate.[40] Upon receiving the firm order, BellSouth begins the space preparation work required for the central office. Between a period of May 19, 1998 and September 18, 1998, Supra submitted applications for collocation in 24

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[39] Pursuant to BellSouth's process and procedures in place at the time Supra filed its collocation applications, BellSouth performs site readiness work based on the number of firm orders it has when it begins work. Some of the readiness costs, within a relevant range of space prepared for collocation, remain constant. Thus, if additional CLECs place firm orders each CLECs share of those costs is reduced.

[40] BellSouth's current practices and procedures for obtaining collocation from the Florida tariff are significantly different than those established for obtaining collocation on an ICB basis as set forth in Supra's collocation agreement.

central offices in Florida.[41] BellSouth prepared and submitted estimates to Supra pursuant to its collocation agreement then in effect.[42]

During 1999, Supra i.e. filed applications for collocation in four central offices– (1) Daytona Beach Port Orange, (2) Miami Palmetto, (3) West Palm Beach Gardens, and (4) North Dade Golden Glades. Pursuant to its standard processes and procedures in effect at that time, BellSouth provided Supra a price quote and asked that Supra confirm its acceptance by submitting 50% of the cost estimate. Supra disagreed with BellSouth's cost estimate and on September 20, 1999, Supra filed a letter with the Bureau alleging that the price that BellSouth had quoted to Supra to collocate in the four Florida central offices was unreasonable and in violation 47 U.S.C. § 251(c)(6).[43] In response to Supra's claims, BellSouth provided the Bureau a breakdown of the cost estimate that it had provided to Supra for the four collocation sites.[44] The Bureau requested a meeting between Supra and BellSouth to discuss the issues and the parties met with the Bureau on October 25, 1999.

Apparently realizing that its original claims had no merit, Supra spent much of the meeting making allegations outside the scope of its original letter. The Bureau required Supra to file a supplemental letter to encompass all allegations that it had regarding its collocations claims. On November 13, 1999, Supra filed a supplemental letter asserting numerous new allegations.[45] BellSouth filed its response to this letter on November 24, 1999.[46] Subsequent to BellSouth filing its response to Supra's November 13, 1999 Letter, the Bureau called another meeting with BellSouth, Supra, and the Bureau. This meeting took place on January 26, 2000. At this meeting the Bureau asked the parties to attempt to settle the issues themselves. Based on this directive from the Bureau, the parties began negotiations to try to settle the dispute.

Supra alleges that settlement of the collocation issue could not be obtained because "BellSouth's settlement proposal was contingent on Supra executing a Full Release in favor of BellSouth for all matters relating to the collocation issue, including but not limited to, all

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41 Subsequent to submitting these applications, Supra requested significant changes. Even though these changes rendered the application incomplete, thus leaving BellSouth unable to process the applications until Supra provided the correct information, BellSouth continues to hold space in the central fices in which space was originally available when Supra filed its initial applications. BellSouth has requested Supra to file applications with the required correct information for these collocation sites. To this date Supra has yet to provide the necessary updated applications. BellSouth continues to hold space in these central offices for Supra even though Supra has not paid any money to BellSouth to hold this space.

42 Supra filed it collocation applications with BellSouth under its then existing collocation agreement. Supra is currently under the AT&T Agreement, which contains rates, terms and conditions for collocation in Attachment 3.

43 A copy of Supra's September 20, 1999 Letter is attached as Exhibit 26.

44 A copy of BellSouth's October 8, 1999 letter is attached as Exhibit 27.

45 A copy of Supra's November 13, 1999 Letter is attached as Exhibit 28.

46 A copy of BellSouth's November 24, 1999 Letter is attached as Exhibit 29.

unknown and unanticipated damages."[47] Supra supports its claim by attaching the first settlement proposal sent to Supra from BellSouth. Such an allegation trivializes the long and detailed negotiation process. Contrary to Supra's suggestion, the reasonableness of the release language of the initial proposal is not the reason Supra abandoned settlement discussions. The discussions broke down long after BellSouth submitted its initial proposal and the proposal, including the release language, had gone through revisions on both sides.

On February 17, 2000, BellSouth submitted a settlement offer to Supra that it believed to address all of the issues and concerns Supra had raised in its meetings and letters before the Bureau.[48] The release language contained within that proposal stated:

> In consideration of the recitals and conditions set forth below and agreed to by BellSouth TELECOMMUNICATIONS, INC. ("BELLSOUTH"), SUPRA TELECOMMUNICATIONS, INC., ("SUPRA"), for itself, its successors and assigns and on behalf of any affiliated companies claiming through SUPRA and their successors and assigns and any other party claiming by or through SUPRA, and on behalf of all other entities leased, operated, or controlled by or allied with SUPRA does forever release BELLSOUTH, and all other entities leased, operated, or controlled by, or allied with it, together with its successors and assigns, and all other persons or entities, and settle the claims set forth by SUPRA in its letters to the FCC regarding collocation arrangements in BellSouth's region including but not limited to September 20, 1999, November 13, 1999 and the conversations SUPRA has had with the FCC concerning the subject matter of said letters ("FCC Letters") and from any and all claims, actions, causes of action, costs, known or unknown damages to SUPRA which SUPRA may have or may claim to have arising from whatever cause, occurrence or non-occurrence, associated with the claims set forth in the above mentioned FCC Letters.

BellSouth does not believe that the language in this first proposal is unreasonable for a settlement document. Most settlements include similar language requiring the claimant to release all claims for damages, including unknown and unanticipated, that can arise from the specific actions giving rise to the claim. In fact, even if such damages language was not included, it is presumably implied. Moreover, it was the first proposal for settlement and BellSouth was open to suggested changes. Indeed, Supra proposed significant changes to the language, which BellSouth either accepted or offered counter language.

On February 18, 2000, Mr. Buechele, acknowledged receipt of the settlement proposal and suggested a walk through of some of the central offices in Florida.[49] BellSouth agreed to the

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[47] *Id.* at page 4.

[48] This is the proposal Supra attached to its March 15, 2001, letter to the Bureau. A copy of that proposed settlement agreement along with the transmittal memo is attached as Exhibit 30.

meeting and the walk through of the Florida central offices. The walk through took place on March 1, 2000, with several BellSouth and Supra representatives, including Supra's vendors, attending. In all of this correspondence both parties expressed an optimism that settlement would be obtained.

Supra responded to BellSouth's initial proposal on April 7, 2000 with its own proposal.[50] In its proposal, Supra made significant changes to the BellSouth proposal including changes to the release language. The release language proposed by Supra stated:

> Release. Supra Telecom hereby releases and discharges BellSouth, their subsidiary companies and their predecessors, successors and assigns and any and all of their past, present and future officers, directors, heirs, executors and administrators, agents, attorneys and employees, and their respective successors, assigns, heirs, executors and administrators, from any and all claims, demands, damages and causes of action, whether known or unknown, arising from BellSouth's August 31, 1999 collocation responses for the BellSouth central offices of DYBHFLPO, WPBHFLGR, NDADFLGG and MIAMIFLPL and for any practices complained about in Supra Telecom's September 20, 1999 and November 13, 1999 letters to the FCC as they relate to those four central offices and any other collocation response which may have been sent by BellSouth thereafter through to the date of this Settlement Agreement. This release and discharge specifically does not apply to any claims or causes of action arising before August 31, 1999, or which do not relate or arise from the four August 31, 1999 BellSouth collocation responses.[51]

Upon receiving Supra's response, BellSouth offered redline changes to Supra's proposal on May 1, 2000[52]. BellSouth's redline changes to the above offered Supra release language stated:

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[49] A copy of the letter from Mr. Buechele to Ms. Mary Jo Peed, Senior Operations Counsel, ("Ms. Peed") dated February 18, 2000 and a copy of the letter from Ms. Peed to Mr. Buechele dated February 18, 2000 are attached as Exhibit 31. In his letter, Mr. Buechele also asked for a walk through of central offices in Georgia. Supra did not have any collocation applications filed BellSouth in Georgia. A copy of letters from Mr. Buechele to Ms. Peed dated February 19 and March 3, 2000 and letters from Ms. Peed to Mr. Buechele dated February 21, February 28, March 6, and March 13, 2000 are attached as Exhibit 32.

[50] A copy of Supra counter proposal is attached as Exhibit 33. This response came only after BellSouth wrote Supra and requested a response. *See* copy of the letter from Ms. Peed to Mr. Buechele dated March 31, 2000 attached as Exhibit 34.

[51] Supra's counsel did not provide a redline version of the proposed changes.

[52] A copy of BellSouth's counter-proposal and a copy of the letter from Ms. Peed to Mr. Buechele dated April 25, 2000 are attached as Exhibit 35.

> 1. **Release.** Supra Telecom, for itself, its subsidiary and affiliated companies and their predecessors, successors and assigns and any and all of their past, present and future officers, directors, heirs, executors and administrators, agents, attorneys and employees, and their respective successors, assigns, heirs, executors and administrators hereby releases and discharges BellSouth, ~~their~~ its subsidiary and affiliated companies and their predecessors, successors and assigns and any and all of their past, present and future officers, directors, heirs, executors and administrators, agents, attorneys and employees, and their respective successors, assigns, heirs, executors and administrators, from any and all claims, demands, damages, and causes of action, whether known or unknown, including but not limited to those claims set forth in Supra Telecom's September 20, 1999 and November 13, 1999 letters to the FCC. ~~arising from BellSouth's August 31, 1999 collocation responses for the BellSouth central offices of DYBHFLPO, WPBHFLGR, NDADFLGG and MIAMIFLPL and for any practices complained about in Supra Telecom's September 20, 1999 and November 13, 1999 letters to the FCC as they relate to those four central offices and any other collocation response which may have been sent by BellSouth thereafter through to the date of this Settlement Agreement.~~ This release and discharge specifically does not apply to any claims or causes of action ~~arising before August 31, 1999, or~~ which do not relate or arise from the costs to Supra for physical collocation within a BellSouth premises ~~from the four August 31, 1999 BellSouth collocation responses.~~[53]

The purpose of BellSouth's changes was to insure that the release was a full release for all parties. The clause includes reciprocal language to cover all of BellSouth's corporate entities. Also, BellSouth wanted to insure that the release would cover all claims that were the subject of Supra's dispute before the Bureau; the very claims that the Bureau had instructed the parties to try to settle. Further, because Supra's proposal to BellSouth's settlement offer contained provisions that would apply to future collocation requests, it was BellSouth's desire to finally resolve how the parties would interact on a going forward basis.

On July 20, 2000, Supra sent another non-redline proposal that changed many of the items that BellSouth assumed to have been agreed to by the parties.[54] One example of these changes is the release language. Supra's response completely changed the release clause from a release to a covenant not to sue BellSouth before the FCC. That clause stated:

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[53] The underlined language is language that Bellsouth proposed to add, while the strikeout language is language that BellSouth proposed be removed.

[54] A copy of Supra's proposal is attached as Exhibit 36. Once again, this response came only after BellSouth's urging. *See* letter from Ms. Peed to Mr. Buechele dated May 24, 2000 attached as Exhibit 37 requesting that Supra respond to BellSouth's latest proposal.

> 2. **Covenant Not To Sue Before The FCC.** Supra Telecom, for itself, its subsidiary and affiliated companies and their predecessors, successors and assigns and any and all of their past, present and future officers, directors, heirs, executors and administrators, agents, attorneys and employees, and their respective successors, assigns, heirs, executors and administrators hereby covenants not to sue or otherwise bring any claim before the FCC against BellSouth, its subsidiaries and affiliated companies and their predecessors, successors and assigns and any and all of their past, present and future officers, directors, heirs, executors and administrators, agents, attorneys and employees, and their respective successors, assigns, heirs, executors and administrators, from any and all claims, demands and causes of action arising from those claims set forth in Supra Telecom's September 20, 1999 and November 13, 1999 letters to the FCC. This covenant not to sue before the FCC specifically does not apply to any claims or causes of action which do not relate or arise from the costs to Supra Telecom for physical collocation within a BellSouth premises. This covenant not to sue before the FCC is limited to actions before the FCC and does not effect or impact the right to bring or raise before any other forum, any claim for legal, equitable or declaratory relief, including any claims, setoffs or recoupments which may arise under any law or any other agreements between the parties. This covenant not to sue does not preclude an action before the FCC to enforce the terms and conditions of this Settlement Agreement.

Of course, BellSouth disputed the language change because it added new language that Supra had not previously mentioned and because it merely limited the forum in which Supra could bring a claim, but did not provide a final settlement of the claim. As with any offer of compromise and settlement, the parties must agree to settle the matter completely or the settlement is merely illusory. This change to the release language is but one example of the many changes Supra proposed for the first time in its July 20, 2000 proposal. The Bureau can compare the BellSouth May 1, 2000 redline version to the Supra July 20, 2000 proposal to see the changes made by Supra, many for the first time, even though the parties had been negotiating for six months on the matter.

The above discussion fully demonstrates Supra's lack of candor with the Bureau on this matter. Supra cites only the initial settlement proposal and does not present how the settlement discussions truly transpired. Moreover, Supra's claim that the settlement negotiations did not work out because BellSouth wanted a full release of damages is equally misleading. BellSouth opposed the final proposal offered by Supra for many of the new changes it added, one of which was the release language. It should be pointed out, however, that BellSouth's reason for disputing the language was not simply because of a failure by Supra to release all damages, but because Supra wanted to preserve issues for another forum. Contrary to Supra's claims, the release language was not the only reason negotiation stalled. There was many other issues in

dispute. BellSouth's actions in this matter clearly are neither unreasonable nor in bad faith. The same, however, cannot be said of Supra's conduct.

Supra's claims that BellSouth has not provided cost data for the collocation sites is equally without merit. As explained above, pursuant to the terms of Supra's collocation agreement in Florida, BellSouth provided Supra costs estimates for all of the central offices for which Supra filed completed applications for collocation.[55] Additionally, of the four central offices on which Supra asked BellSouth to focus for its initial phase of collocation, BellSouth has provided extensive data, cost data as well as other information about the central offices, well beyond what is necessary or required. From the time BellSouth and Supra had their first meeting for negotiation as directed by the Bureau at the January 26, 2000 meeting and throughout the entire negotiation process, not once did Supra request additional data about other central offices. Significantly, it was BellSouth that attempted to implement a plan that would allow Supra to work towards collocation in the other central offices.[56]

Thus Supra's allegation that BellSouth "has either refused to provide the necessary cost support of has provided cost support in such generic format that it is impossible to breakdown and allocate the cost associated with each of the requested collocation" is not true. As for Supra's claim that "BellSouth's explanation for a $123,000 quotation was simply 'Lucent Charges,'" Supra is well aware these charges were not subject to any mark-up by BellSouth but were the actual charges that Lucent, the equipment manufacturer and installation vendor, would have charged to perform the work. Additionally, BellSouth would have trued-up the estimate to Lucent's actual cost had the amount been different.

The above discussion fully demonstrates that BellSouth has provided Supra with more than sufficient cost data for the central offices that it has requested collocation. Accordingly, Supra's assertion that BellSouth's failure to provide adequate cost support to justify its price quote has resulted in BellSouth's failure to comply with the 90-day time limit set forth in Paragraph 27 of the FCC Order on Reconsideration and the Second Further Notice of Proposed

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[55] In some of Supra's earlier applications, Supra did not provide enough information for BellSouth to submit an estimate. BellSouth requested Supra to provide the information necessary for the cost estimate. In every instance where Supra submitted the necessary information, BellSouth provided Supra a cost estimate. Because of the time elapsed since the filing of the applications and the changes expressed by Supra, all of the applications submitted by Supra are incomplete and in most cases contain inaccurate information. Before collocation could proceed in any central office, Supra would have to submit accurate and updated applications. Included, in a good faith offer to try to keep the collocation negotiations moving forward in a timely manner, BellSouth requested that a section be added to the settlement document that would establish a schedule to complete the other central office collocations. If Supra had continued with the settlement discussions, collocation could in all likelihood be complete today.

[56] BellSouth admits that this implementation plan was not totally altruistic. BellSouth continues to hold space for Supra in these offices and would like for Supra to use it or release it.

Rulemaking..." is without merit.[57] BellSouth provided Supra all the information necessary for Supra to obtain collocation in BellSouth's central offices. Additionally, when negotiations broke down between the parties, BellSouth's attorney contacted Mr. Buechele and suggested, that in lieu of settling the specific collocation claims, and in the interest of getting Supra collocated, Supra utilize the pricing contained within BellSouth's tariff for collocation in Florida. That pricing structure does not contain upfront payments for space preparation but rather contains a recurring per square foot charge. BellSouth even prepared collocation applications for Supra and sent them to Supra asking only that it confirm the information as correct. BellSouth offered to begin processing as soon as Supra confirmed as correct. Supra never responded to the collocation group who prepared the applications.

Supra attempts to bolster its claims by alleging that "in an attempt to have BellSouth comply with its duty to comply with the time limits set out in the FCC Order on Reconsideration and the Second Further Notice of Proposed Rulemaking, Supra remitted payment of fifty percent (50%) of the non disputed, estimated costs to BellSouth in light of the matter pending before the FCC at that time." Supra's allegations must fail for at least two reasons. First, the rule Supra alleges that BellSouth violated by refusing the offer was non-existent when the offer was made. These offers were set out in two separate letters, one dated December 6, 1999 and the other dated December 30, 1999. The fallacy of Supra's claim is apparent by the dates of the letters. The Commission's Order to which Supra alleges it was seeking BellSouth's compliance was not released by the Commission until August 10, 2000, a full eight months after Supra wrote the letters allegedly to have BellSouth comply with the Order. Clearly, this was not Supra's intent.

Second, the offer was not a good faith offer. Supra references letters that ostensibly offer to settle the collocation dispute between BellSouth and Supra then currently before the Bureau. The offer of settlement, however, was for fifty percent of the non-disputed charges. Of course, Supra disputed almost all of the charges. Thus, while the estimates for collocation for the central offices offered for settlement were in excess on $1,131,000, Supra offered to pay only approximately $127,000, roughly 11%. Supra disputed virtually every charge and then offered a small percentage of what was due. The Commission could not have intended to allow a CLEC to game the system that way. If that were the case, a CLEC could always dispute all the charges

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[57] BellSouth has provided Supra with the cost data and therefore is not in violation of any Commission or FPSC rule. BellSouth points out, however, that the 90-day rule in the Commission order cited in Supra's letter applies only if the state commission has not set its own interval. The FPSC established intervals in the Florida generic collocation docket. *In re: Petition of Competitive Carriers for Commission action to support local competition in BellSouth Telecommunications, Inc.'s service territory*, Docket No. 981-834-TP, and *In Re Petition of ACI Corp. d/b/a Accelerated Connections, Inc. for generic investigation to ensure that BellSouth Telecommunications, Inc. Sprint-Florida, Incorporated and GTE Florida Incorporated comply with obligation to provide alternative local exchange carriers with flexible, timely, and cost-efficient physical collocation*, Docket No. 990321-TP, *Final Order on Collocation Guidelines*, Order No. PSC-00-0941-FOF-TP, dated May 11, 2000. Accordingly, the FPSC interval, not the Commission interval would apply.

but have the Incumbent Local Exchange Carrier ("ILEC") proceed with space preparation nonetheless. Two outcomes are then possible. First, the charges are proved valid but the CLEC does not have the finances sufficient to pay. Second, the CLEC could merely decide that it did not want the space at that price and then refuse to pay anything at all, leaving the ILEC no means of recovering the costs it incurred on behalf of the requesting CLEC. In either case the ILEC would suffer the loss. Supra's claim that its offer was in good faith is disingenuous and BellSouth clearly was not acting in bad faith when it rejected it.[58]

The price estimates for collocation that BellSouth offered to Supra were based on Supra's contract rates and were based on conditions in those central offices at the time of Supra's request, which was in mid 1999. Since then, BellSouth has continued to provide collocation to CLECs in those central offices. Moreover, BellSouth participated in the FPSC's generic collocation docket in Florida and has instituted tariffed pricing for collocation. This tariff shifts much of the non-recurring rates that are present in Supra's contract to recurring rates. The result is a significant reduction in non-recurring rates, with some increase in the recurring rates. BellSouth offered Supra the tariff rates, which would significantly reduce Supra's non-recurring rate.[59] Supra rejected this offer and continues to insist on its contract rates. In fact, on the conference call with the Bureau on April 24, 2001, Supra reiterated its position that its did not want BellSouth's tariff rates. Although Supra has made its position regarding tariff rates versus contract rates clear, BellSouth has provided a comparison of Supra's contract rates to the tariff rates.[60] The comparison is based on information contained in Supra's collocation applications as filed in 1999. Thus, while Supra's information is no longer accurate, the comparison provides an idea of the difference tariff rates would have over the contract rates. BellSouth stands ready to offer Supra these tariff rates and will begin collocation in the four central offices immediately upon receiving updated applications from Supra.

IV. JURISDICTION

In deciding whether to accept a proceeding on the accelerated docket, the Commission specifically recognized that because of the expedited nature of the proceedings, issues of jurisdiction should be raised by the potential defendant in the pre-filing phase. The Commission stated, "If it appears that such objections may have merit, the staff may decline on that basis to

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[58] The disingenuousness of Supra's claims is further illustrated by the fact that Supra has not paid BellSouth for services it has received from BellSouth since November of 1999. This amounts to over seven million dollars.

[59] As previously stated, BellSouth even prepared collocation applications for Supra and sent them to Supra asking only that it confirm the information as correct or to make any necessary corrections. If Supra had notified BellSouth that the applications were correct, or corrected any errors, BellSouth would have provided Supra price quotes, based on tariff rates, within 15 days of receiving the verification, or the corrected information. Supra initially agreed to utilize the tariff but later withdrew its consent.

[60] The comparison is attached as Exhibit 38.

accept a proceeding onto the Accelerated Docket." Section 207 of the Telecommunications Act states "

> Any person claiming to be damaged by any common carrier subject to the provisions of this chapter may either make complaint to the Commission as hereinafter provided for, *or* may bring suit for the recovery of the damages for which such common carrier may be liable under the provisions of this chapter, in any district court of the United States of competent jurisdiction; *but such person shall not have the right to pursue both such remedies.*

Supra currently has a lawsuit pending in federal district court that seeks damages for the same or similar facts alleged in its letters to the Bureau.[61] The causes of action listed in the complaint are federal and Florida Antitrust claims, a fraud claim, a claim under Section 206 of the 1996 Act, a breach of contract claim and a tortuous interference claim. Accordingly, Supra is statutorily barred from bringing claims before the Commission that already exists in federal court.

Moreover, the parties are involved in a commercial arbitration pursuant to Supra's Interconnection Agreement. All aspects of the arbitration are subject to strict confidentiality requirements and cannot be discussed in this letter. Should the Bureau believe that Supra's claims have merit for the accelerated docket, it should determine the scope of the arbitration proceeding, pursuant to confidentiality standards, to determine the appropriateness of allowing Supra to pursue its claim in this forum.

V. CONCLUSION

BellSouth has demonstrated in this letter that it has acted in good faith in all of its dealings with Supra. The facts actually reveal that if any party in the BellSouth-Supra relationship has acted in bad faith, it is Supra. Supra's claims should therefore not be the subject of any complaint proceeding.

Even if the Bureau believed Supra's claims to have some merit, however, an accelerated docket would not be proper. There is a strong and fundamental disagreement of many of the key facts, therefore requiring each party to conduct extensive discovery. Additionally, BellSouth contends that Supra has raised these claims in a lawsuit in United Stated District Court. Pursuant to Section 207 of the 1996 Act, this lawsuit bars Supra from bringing the claims set forth in its letters to the Bureau in a complaint before the Commission. Before accepting matters on the accelerated docket, the Bureau must evaluate matters of jurisdiction. If the jurisdictional issues

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61 *See Supra Telecommunications & Information Systems, Inc. v. BellSouth Telecommunications, Inc.*, Civil Action No. 99-1706 (S.D. Fla. filed June 17, 1999).

have merit, the Bureau must consider declining acceptance of the dispute. Based on these factors, BellSouth requests that the Bureau reject Supra's request for inclusion on the accelerated docket.

With Kindest Regards,

W. W. Jordan
Vice President - Federal Regulatory

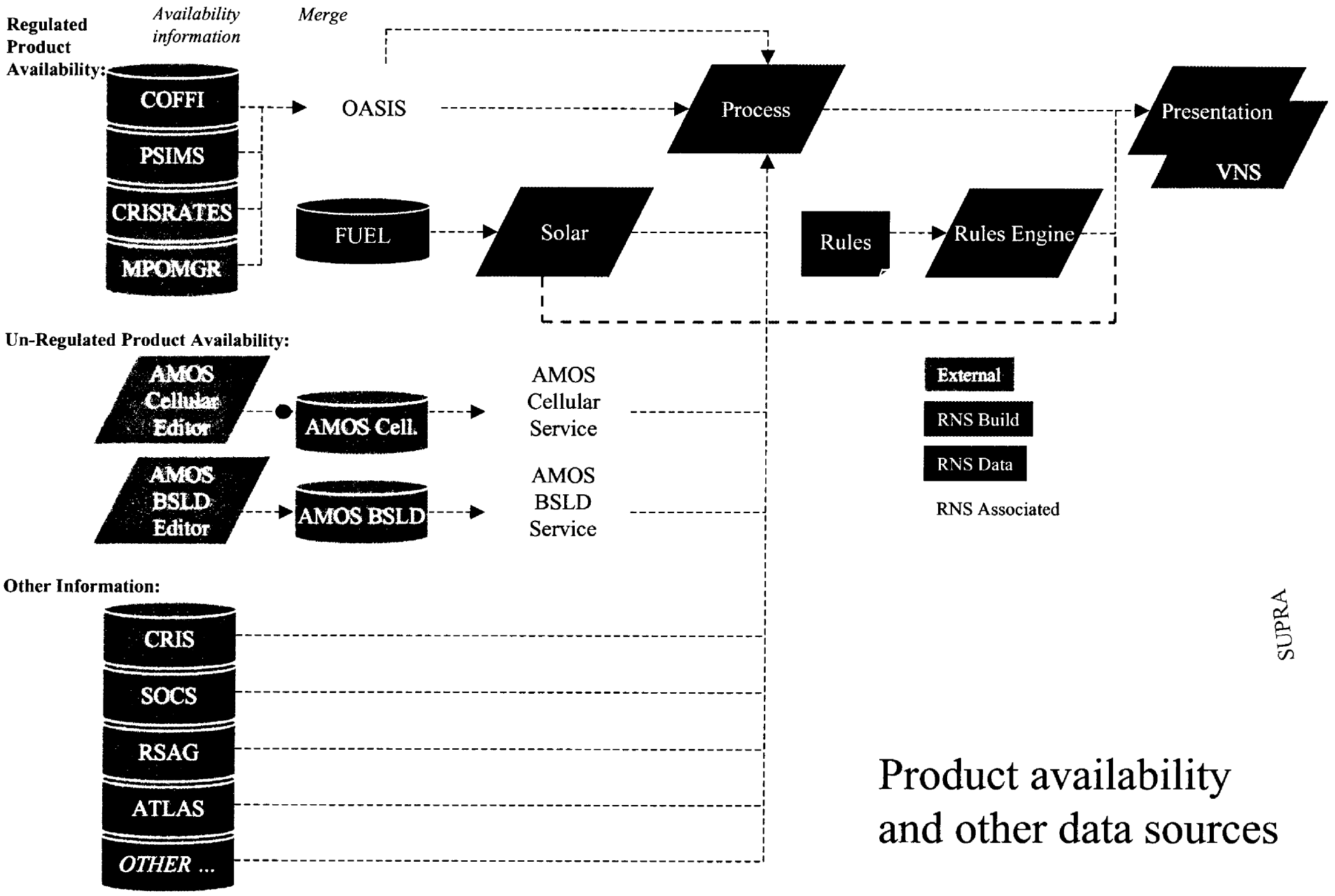
Enclosures

cc: Paul D. Turner, Esq.
2620 SW 27th Avenue
Miami, FL 33135-3001

LIST OF EXHIBITS
TO
BELLSOUTH'S LETTER
IN RESPONSE TO
SUPRA'S APRIL 27, 2001 LETTER

Exhibit No.	Document Name
1	Sections 2.2, 2.3, and 22.7 from AT&T Agreement and the Supra Agreement, dated October 5, 1999
2	Letter from Mr. Finlen to Mr. Ramos, dated March 29, 2000
3	Letter from Mr. Ramos to Mr. Finlen, dated April 26, 2000
4	Letter from Mr. Finlen to Mr. Ramos, dated May 3, 2000
5	Letter from Mr. Finlen to Mr. Ramos, dated June 5, 2000
6	Letter from Mr. Buechele to Mr. Finlen, dated June 7, 2000
7	Letter from Ms. Jordan to Mr. Buechele, dated June 8, 2000
8	Letters from Mr. Buechele to Ms. Jordan, dated June 9, June 12, and June 19, 2000 and letters from Ms. Jordan to Mr. Buechele, dated June 13, and July 3, 2000
9	Letter from Mr. Finlen to Mr. Ramos, dated July 20, 2000
10	Supra Brochure Mailed to Residents in Florida
11	Letter from Ms. Cooper to Mr. Ramos, dated June 19, 2000
12	Letter from Mr. Buechele to Ms. Cooper, dated July 3, 2000
13	Pictures of Supra's Advertisements on Billboards in Florida
14	Letter from Ms. Cooper to Mr. Buechele, dated July 11, 2000
15	Letter from Ms. Cooper to Mr. Buechele, dated August 22, 2000
16	Letter from Ms. Cooper to Mr. Buechele, dated September 19, 2000
17	Supra's Opposition Brief to Motion for Preliminary Injunction
18	BIPCO's Reply Brief to Opposition
19	Court Order Granting Preliminary Injunction Issued by the United States District Court for the Southern District of Florida (Miami Division)
20	Letter from Mr. Medacier to Ms. Jordan, dated April 4, 2001
21	Letter from Ms. Jordan to Mr. Medacier, dated April 9, 2001
22	Correspondence between Mr. Medacier and Ms. Jordan, dated April 11, April 13, May 1, May 8, and May 9, 2001
23	Increased Interconnection Task Group II Report, by the Network Reliability Council, dated January 14, 1996
24	FPSC Vote Sheet adopting FPSC Staff Recommendation that Supra's Motion to Dismiss be denied
25	Letter from Ms. Jordan to Mr. Medacier, dated April 5, 2001
26	Supra's September 20, 1999 Letter to Bureau
27	BellSouth's Response Letter to the Bureau, dated October 8, 1999
28	Supra's Supplemental Letter to the Bureau, dated November 13, 1999
29	BellSouth's Supplemental Response Letter to the Bureau, dated November 24, 1999
30	BellSouth's Proposed Settlement Agreement with Transmittal Memorandum to Mr. Buechele from Ms. Peed, dated February 17, 2000
31	Letter from Mr. Buechele to Ms. Peed, dated February 18, 2000, acknowledging receipt of Settlement Agreement and a letter from Ms. Peed to Mr. Buechele, dated February 18, 2000
32	Correspondence between Mr. Buechele and Ms. Peed regarding collocation applications in Georgia, dated February 19, February 21, February 28, March 3, March 6, and March 13
33	Supra's Revised Proposed Settlement Agreement, from Mr. Buechele to Ms. Peed, dated April 7, 2000
34	Letter from Ms. Peed to Mr. Buechele, dated March 31, 2000
35	Memorandum from Ms. Peed to Mr. Buechele, dated April 25, 2000 and BellSouth's Revised Proposed Settlement Agreement sent to Mr. Buechele on May 1, 2000
36	Supra's Revised Proposed Settlement Agreement, draft dated July 20, 2000
37	Memorandum from Ms. Peed to Mr. Buechele, dated May 24, 2000

Exhibit No.	Document Name
38	Comparison of Collocation Rates

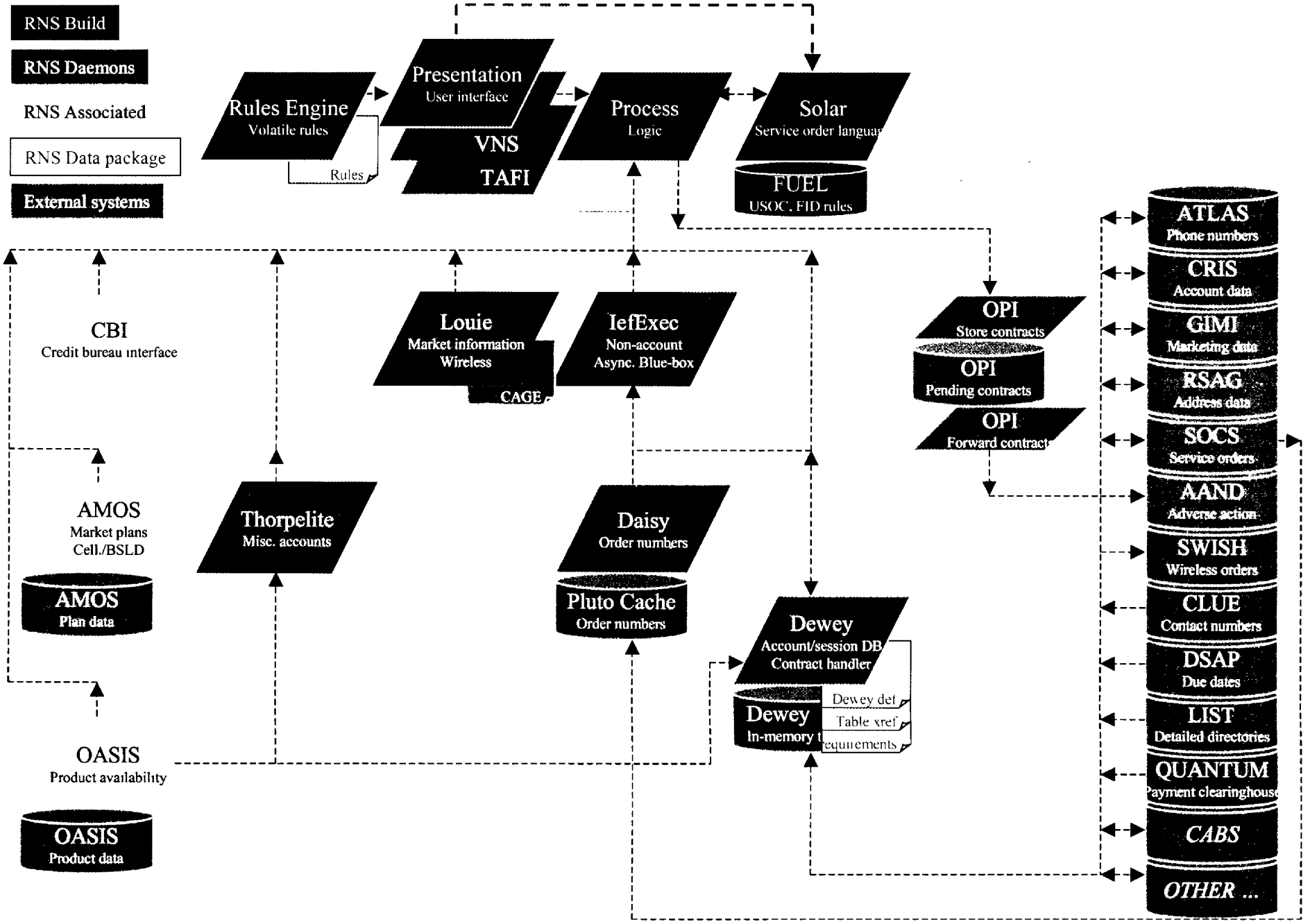


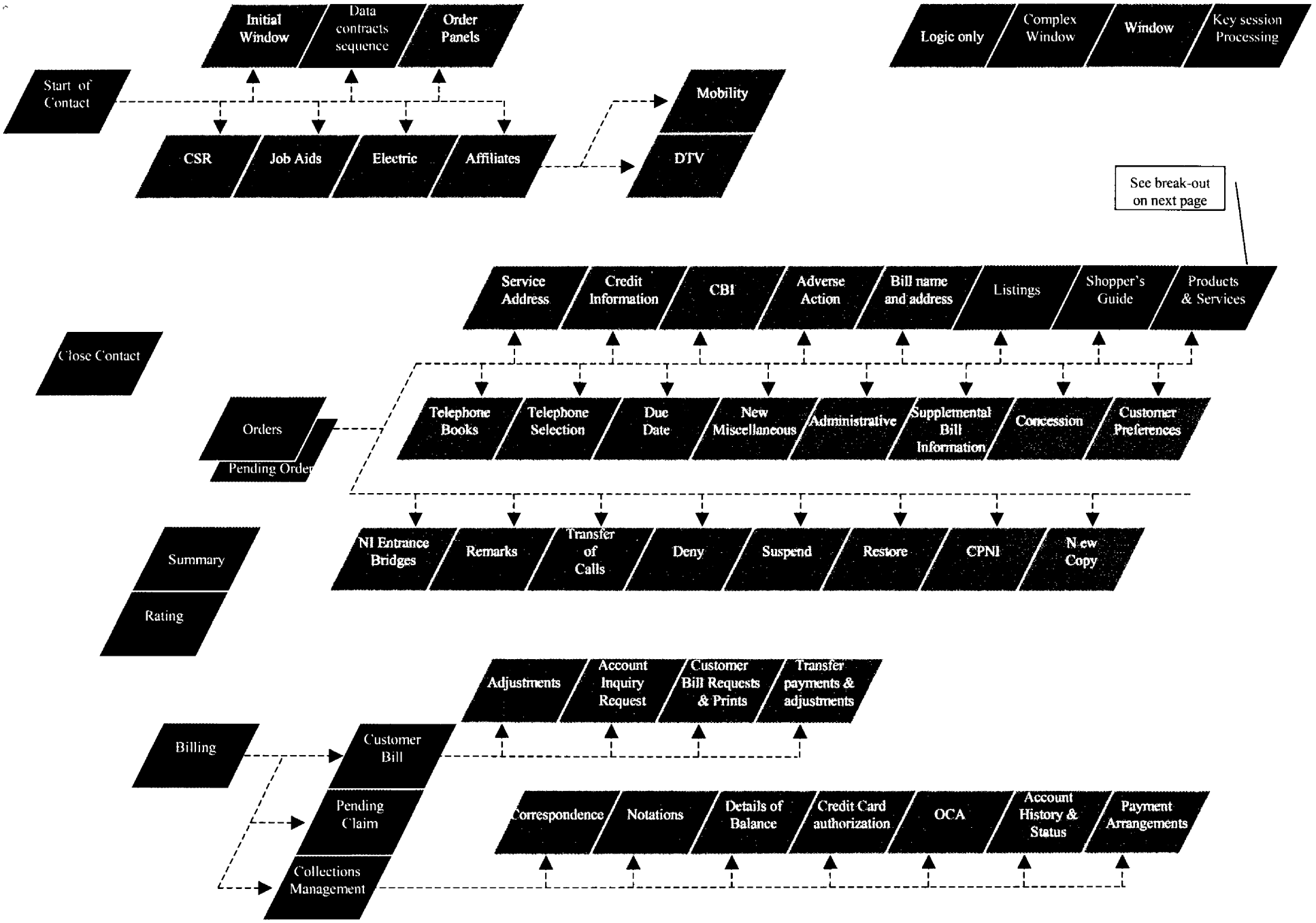
Product availability and other data sources

SUPRA

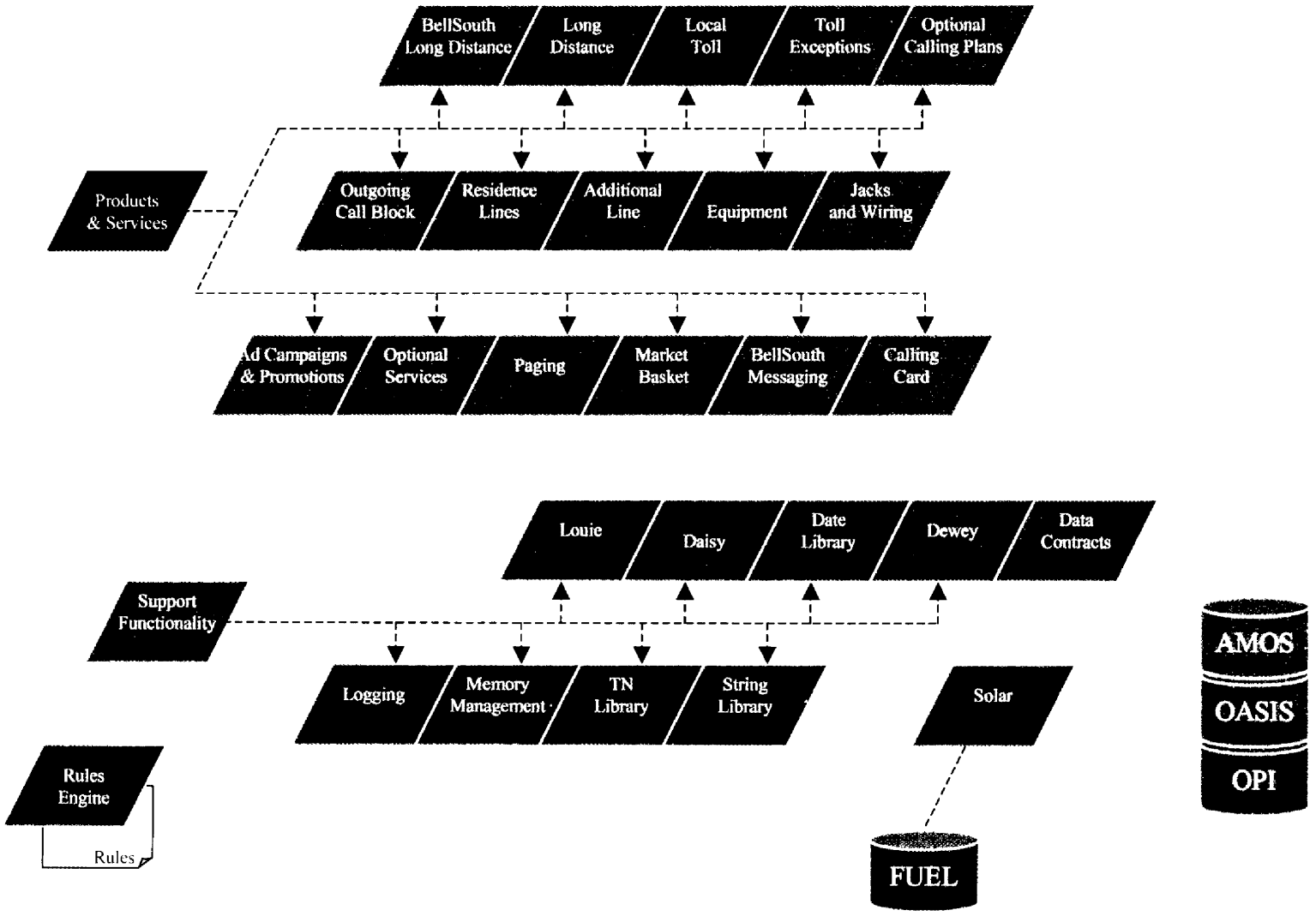
EXHIBIT: OAR 22

Process layer interaction data flows



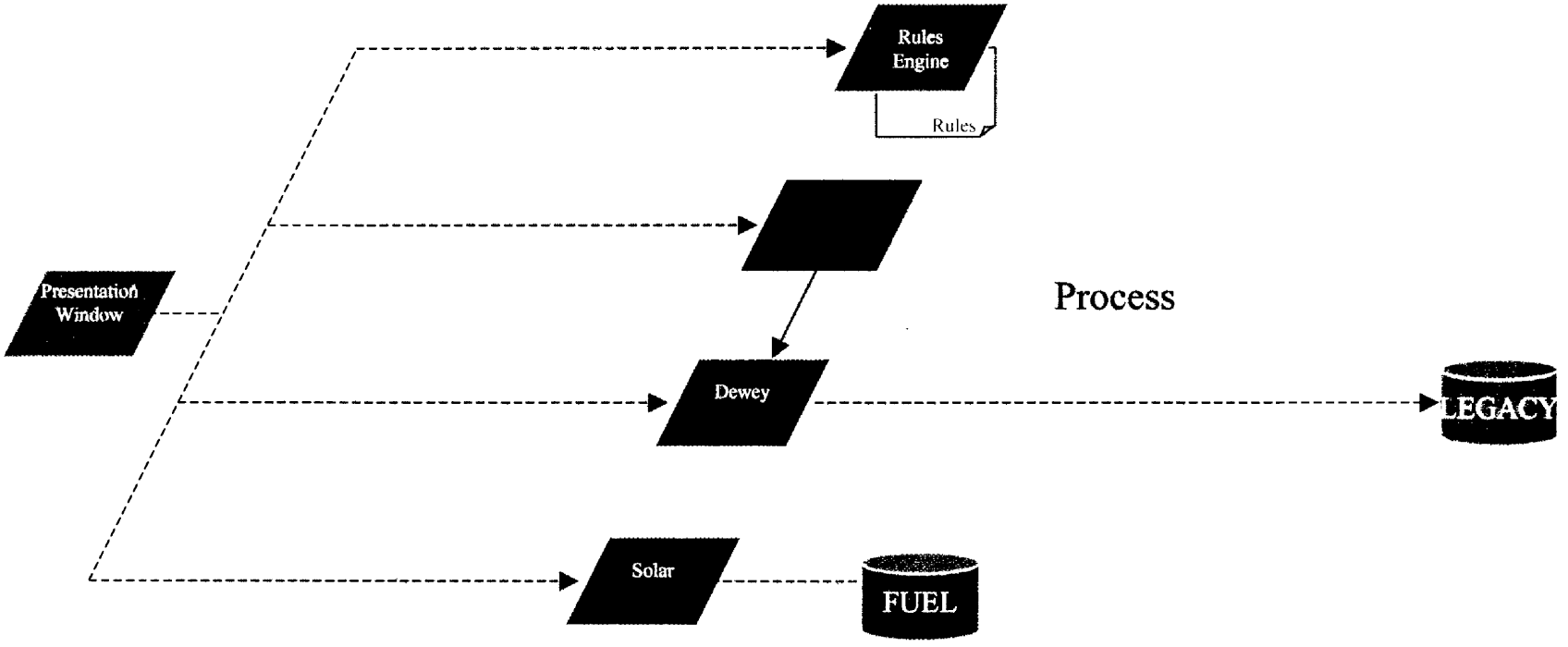


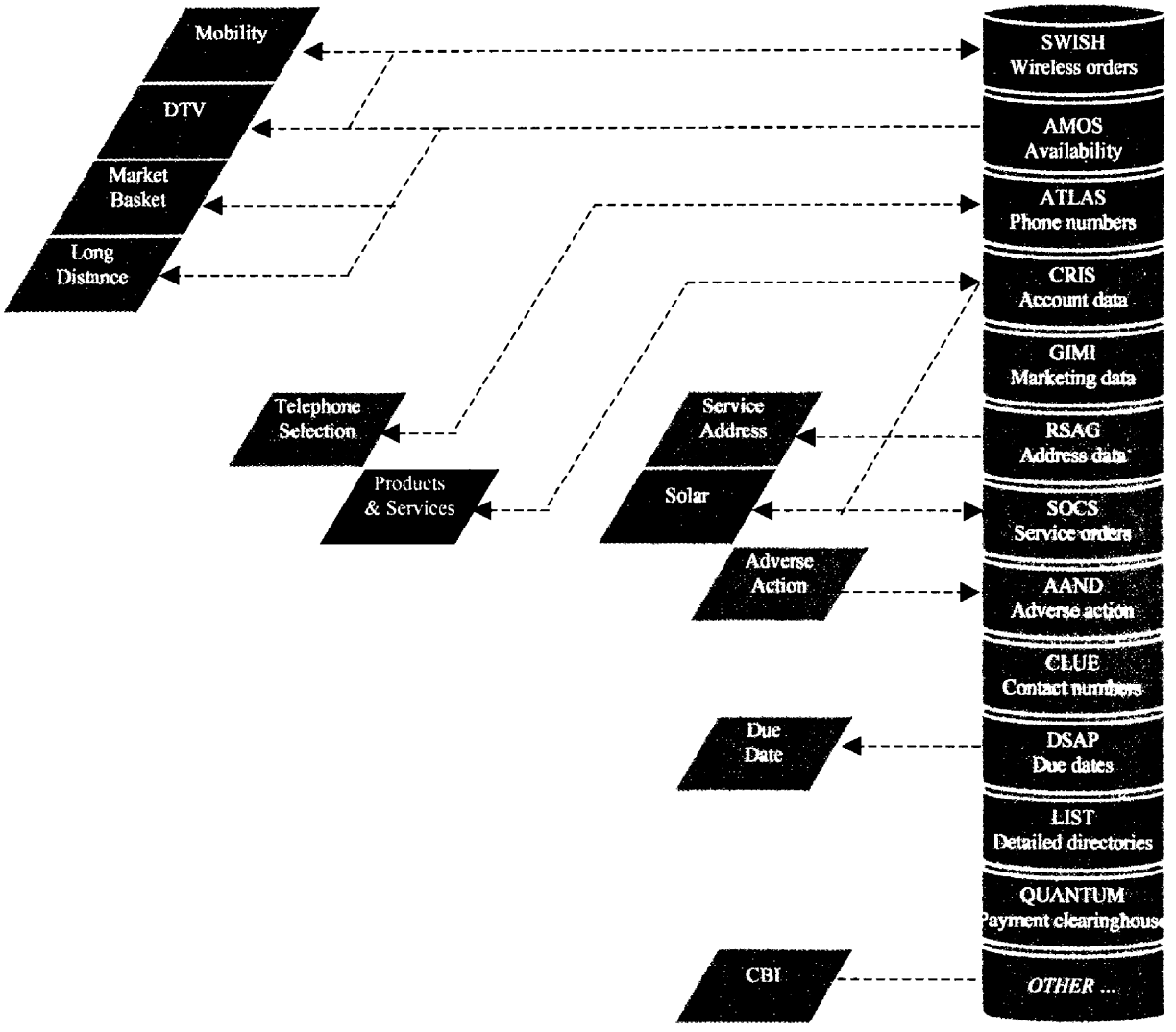
RNS Components (1)



RNS Components (2)

Typical Component/Layer interactions





RNS Component external system relationships

EXHIBIT

SUPRA

EXHIBIT: OAR 23

EXHIBIT

SUPRA

EXHIBIT: OAR 23

TITLE PAGE

FLORIDA LOCAL EXCHANGE
TELECOMMUNICATIONS PRICE LIST (Tariff)

OF

SUPRA TELECOMMUNICATIONS & INFORMATION SYSTEMS

This Price List contains the descriptions, regulations, and rates applicable to the furnishing of telecommunication services provided by Supra Telecommunications & Information Systems ("Supra") with principal offices located at 2620 Southwest 27th Avenue, Miami Beach, FL 33133. This Price List is applicable to local exchange services furnished within the State of Florida. This Price List is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business. T

ISSUED BY: Mr. Kay Ramos, CEO
2620 Southwest 27th Avenue T
Miami, Florida 33133 T

CHECK SHEET

This Price List contains the sheets listed below, each of which is effective as of the date shown on each sheet. Original and revised pages as named below comprise all changes from the original Price List.

SHEET	REVISION	SHEET	REVISION	
1	First	16	First	
2	First	17	First	
3	First	18	First	
4	First	19	First	
5	First	20	First	
6	First	21	Second	*
7	First	22	Second	*
8	First	23	Second	*
9	First	24	Second	*
10	First	25	Second	*
11	First	26	Second	*
12	First	27	Third	*
13	First	28	Third	*
14	First	29	Original	*
15	First	30	Original	*
		31	Original	*
		32	Original	*
		33	Original	*
		34	Original	*

* Indicates new or revised sheet with this filing

TABLE OF CONTENTS

Title Sheet 1

Check Sheet 2

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Price List Format 5

Section 1.0 - Technical Terms and Abbreviations 6

Section 2.0 - Rules and Regulations 9

Section 3.0 - Basic Service Description & Rates 17

PRICE LIST FORMAT

A. **Sheet Numbering** - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the Price List. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.

B. **Sheet Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the FPSC. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc. the FPSC follows in their Price List approval process, the most current sheet number on file with the Commission is not always the Price List pages in effect. Consult the check sheet for sheet currently in effect.

C. **Paragraph Numbering Sequence** - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

2.
2.1.
2.1.1.
2.1.1.A.
2.1.1.A.1.
2.1.1.A.1.(a).

D. **Check Sheets** - When a Price List filing is made with the FPSC, an updated check sheet accompanies the Price List filing. The check sheet lists the sheets contained in the Price List, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*) . There will be no other symbols used on the check sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some pages).

SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS

1.1 Abbreviations

The following abbreviations are used herein only for the purposes indicated below:

C.O.	-	Central Office
FCC	-	Federal Communications Commission
FPSC	-	Florida Public Service Commission
IXC	-	Interexchange Carrier
LATA	-	Local Access and Transport Area
LEC	-	Local Exchange Carrier
MTS	-	Message Telecommunications Service
PBX	-	Private Branch Exchange

SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS (CONT'D)

1.2 Definitions (Cont'd)

End Office Switch - A switching system where exchange service Customer station loops are terminated for the purposes of interconnection to each other an to trunks.

End User - Any person, firm, corporation, partnership or other entity which uses the services of the Carrier under the provisions and regulations of this tariff. The End User is responsible for payment unless the charges for the services utilized are accepted and paid by another Customer.

Exchange - A group of lines in a unit generally smaller than a LATA established by the Company for the administration of communications service in a specified area. An Exchange may consist of one or more central offices together with the associated facilities used in furnishing communications service within that area.

Local Access and Transport Area (LATA) - A geographic area established by the U.S. District Court for the District of Columbia in Civil Action No. 82-0192 for the provision of administration of communication services. A LATA encompasses designated exchanges, which are grouped to serve common social, economic and other purposes.

Local Calling Area - A geographical area in which an End User may complete a call without incurring toll charges.

Serving Wire Center - A specified geographic point from which the vertical and horizontal coordinate is used in calculation of airline mileage.

SECTION 2.0 - RULES AND REGULATIONS

2.1 Applicability of Tariff

This tariff is applicable to local exchange telecommunications services provided by Supra Telecommunications & Information Systems within the state of Florida.

2.2 Obligation of the Company

In furnishing facilities and service, the Company does not undertake to transmit messages, but furnishes the use of its facilities to its customers for communications.

The Company's obligation to furnish facilities and, service is dependent upon its ability (a) to secure and retain, without unreasonable expense, suitable facilities.; (b) to secure and retain, without unreasonable expense, suitable space for its plant and facilities in the building where service is or will be provided to the customer; or (c) to secure reimbursement of all costs where the owner or operator of a building demands relocation or rearrangement of plant and facilities used in providing service therein.

The Company shall not be required to furnish, or continue to furnish, facilities or service where the circumstances are such that the proposed use of the facilities or service would tend to adversely affect the Company's plant, property or service.

The Company reserves the right to refuse an application for service made by a present or former customer who is indebted to the Company for service previously rendered pursuant to this Tariff until the indebtedness is satisfied.

SECTION 2.0 RULES AND REGULATIONS (CONT'D)

2.3 Payment and Credit Regulations

2.3.1 The Customer is responsible for payment of all charges for services and equipment furnished to the Customer or to an Authorized User of the Customer by Supra. Payment responsibility includes all local and toll calls originating from the Customers' premises and for all calls charged to the Customer's line where any person answering the Customer's line agrees to accept such charges.

All charges due by the Customer are payable to the Company or to the Company's authorized billing agent. Any objections to billed charges must be reported to the Company or its billing agent within two months after receipt of bill. Adjustments to Customer's bills shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.

2.3.2 Customer bills for telephone service are due upon receipt, unless otherwise specified by this tariff or by contract.

2.3.3 In the event that the Company incurs fees or expenses, including attorney's fees, collecting, or attempting to collect, any charges owned to the Company, the Company may charge the Customer all such fees and expenses reasonably incurred.

2.3.4 The Company reserves the right to assess a return-check charge of $25.00 whenever a check or draft presented for payment of service is not accepted by the institution on which it is written. This charge applies each time a check is returned unpaid to Supra Telecommunications & Information Systems by a bank for any reason, including insufficient funds or closed accounts. This charge will be in addition to any charges assessed by any bank. If a customer who has received a notice of discontinuance pays the bill with a check that is subsequently dishonored, the account remains unpaid and the Company is not required to issue any additional notice before disconnecting service. I N N

SECTION 2.0 RULES AND REGULATIONS (CONT'D)

2.3 Payment and Credit Regulations (Cont'd)

2.3.5 Deposits

Any applicant or customer whose financial responsibility is not established to the satisfaction of the Company may be required to deposit a sum up to an amount equal to the total of the estimated local service and toll charges for up to two months for the facilities and service. T

If the amount of a deposit is proven to be less than required to meet the requirements specified above, the customer shall be required to pay an additional deposit upon request. T

2.3.6 Advance Payments

For Customers whom the Company determines an advance payment is necessary, the Company reserves the right to collect an amount not to exceed one (1) month's estimated charges as an advance payment for service. This will be applied against the next month's charges and a new advance payment may be collected for the next month.

2.3.7 Taxes

All state and local taxes, including but not limited to gross receipts taxes, sales taxes, and municipal utilities taxes, or associated surcharges, are listed as separate line items and are not included in the rates listed in this tariff.

2.3.8 Disputed Charges

The Company will provide credit on charges disputed by Customer in writing that are verified as incorrect by Company. If objection in writing is not received by Company within a reasonable period of time after bill is rendered (as determined by current law and regulatory policy), the account

shall be deemed correct and binding upon the Customer.

ISSUED BY: Mr. Kay Ramos, CEO
2620 Southwest 27th Avenue T
Miami, Florida 33133 T

SECTION 2.0 RULES AND REGULATIONS (CONT'D)

2.4 Refunds or Credits for Service Outages or Deficiencies

2.4.1 Credit Allowance for Interruptions of Service

Credit allowances for interruptions of service which are not due to the Carrier's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment or communications systems provided by the Customer, are subject to the general liability provisions set forth in Section 2.5 herein. No credit is issued for outages less than 1/2 hour in duration. Credit for outages greater than 1/2 in duration is issued for fixed recurring monthly charges only. No credit is given for usage-sensitive charges. Outage credits are calculated in thirty minute intervals. The amount of the credit is determined by pro-rating the monthly recurring charge for the time of the outage (in thirty-minute intervals) It shall be the obligation of the Customer to notify Carrier immediately of any interruption in service for which a credit allowance is desired by Customer. Before giving such notice, Customer shall ascertain that the trouble is not within his or her control, or is not in wiring or equipment, if any, furnished by Customer and connected to Carrier's terminal.

2.4.2 Inspection, Testing and Adjustment

Upon reasonable notice, the facilities provided by the Company shall be made available to the Company for such tests and adjustments as may be deemed necessary for maintenance in a condition satisfactory to the Company. No interruption allowance will be granted for the time during which such tests and adjustments are made.

SECTION 2.0 RULES AND REGULATIONS (CONT'D)

2.5 Liability

2.5.1 The liability of the Company for any claim or loss, expense or damage (including indirect, special, or consequential damage) for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff shall not exceed an amount equivalent to the proportionate charges to the Customer for the period of service or the facility provided during which such interruption, delay, error, omission, or defect occurs.

2.5.2 The Company shall not be liable for any claim or loss, expense, or damage (including indirect, special, or consequential damage), for any interruption, delay, error, omission, or other defect in any service facility, or transmission provided under this tariff, if caused by any person or entity other than the Company, by any malfunction of any service or facility provided by any other carrier, by any act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond the Company's direct control.

SECTION 2.0 RULES AND REGULATIONS (CONT'D)

2.5 Liability (cont'd)

2.5.3 The Company shall not be liable for, and shall be fully indemnified and held harmless by Customer or other users of its service against any claim or loss, expense, or damage, (i) for defamation, invasion of privacy, infringement of copyright or patent, unauthorized use of any trademark, trade name, or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury to any person, property, or entity arising from the material data, information, or content revealed to, transmitted, processed, handled, or used by Company under this tariff, or (ii) for connecting, combining, or adapting Company's facilities with Customer's apparatus or systems, or (iii) for any act or omission of the Customer, or (iv) for any personal injury or death of any person, or for any loss of or damage to Customer's premises or any other property, whether owned by Customer or others, caused directly or indirectly by the installation, maintenance, location, condition, operation, failure or removal of equipment or wiring provided by the Company if not directly caused by negligence of the Company.

2.5.4 When the facilities of other companies are used in establishing a connection, the Company is not liable for any act, error, omission, or interruption caused by the other company or their agents or employees. This includes the provision of a signaling system database by another company.

SECTION 2.0 RULES AND REGULATIONS (CONT'D)

2.6 Minimum Service Period

The minimum service period is one month (30 days)

2.7 Cancellation by Customer

No charge applies when the applicant cancels an application for service prior to the start of installation or special construction.

When an applicant cancels an application for service after the start of installation or special construction, the applicant shall pay a cancellation fee which is the lesser of 1) the costs incurred by the Carrier, or 2) the charge for the minimum period of the service ordered, plus applicable installation charges.

Customers of Supra Telecommunications & Information Systems may cancel service at any time upon reasonable notice. Upon such cancellation the subscriber shall be responsible for the payment of all charges due. This includes all charges due for the period service has been rendered plus any unexpired portion of an initial service period or applicable termination charges, or both.

SECTION 2.0 RULES AND REGULATIONS (CONT'D)

2.8 Refusal or Discontinuance by Company

Supra Telecommunications & Information Systems may refuse or discontinue service under the following conditions provided that, unless otherwise stated, the Customer shall be given 15 days notice to comply with any rule or remedy any deficiency:

2.8.1 For failure of a Customer to make a deposits as required under this tariff;

2.8.2 For impersonation of another with fraudulent intent;

2.8.3 For nonpayment of any sum due;

2.8.4 For use of service in a manner reasonably to be expected to frighten, abuse, torment or harass another;

2.8.5 For any other violation of the Company's rules and regulations applying to Customer's contracts or the furnishing of service;

2.8.6 Without notice for abandonment of service;

2.8.7 Without notice for use of service in such a way as to impair or interfere with the service provided to other Customers;

2.8.8 Without notice for abuse or fraudulent use of service.

SECTION 2.0 RULES AND REGULATIONS (CONT'D)

2.9 Use of Service

Service may be used for any lawful purpose for which it is technically suited. Customers or Subscribers reselling or rebilling Supra's Florida intrastate service must have a Certificate of Public Convenience and Necessity as an interexchange carrier from the Florida Public Service Commission.

2.10 Employee Concessions

[Reserved for Future Use]

2.11 Terminal Equipment

Company's facilities and service may be used with or terminated in Customer-provided terminal equipment or systems, such as PBXs, key systems, multiplexers, repeaters, signaling sets, teleprinters, handsets, or data sets. Such terminal equipment shall be furnished and maintained at the expense of the Customer, except as otherwise provided. Customer is responsible for all costs at his or her premises, including personnel, wiring, electrical power, and the like, incurred in the use of Company's service.

2.12 Applicable Law

This tariff shall be subject to and construed in accordance with Florida law.

SECTION 2.0 RULES AND REGULATIONS (CONT'D)

2.13 Cost of Collection and Repair

Customer is responsible for any and all costs incurred in the collection of monies due the company including legal and accounting expenses. The Customer is also responsible for recovery costs of Company-provided equipment and any expenses required for repair or replacement of damaged equipment.

2.14 Restoration of Service

Restoration of service shall be accomplished in accordance with Florida PSC rules and regulations.

2.15 Promotional Campaigns

The Company may conduct special promotions from time to time that waive a portion or all processing fees or installation fees. These promotions will be conducted in accordance with Florida Statutes and PSC rules and regulations.

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2.16 Access to Customer's Premises

The customer shall be responsible for making arrangements or obtaining permission safe and reasonable access for Company employees or agents of the Company to enter the premises of the customer or any joint user or customer of the customer at any reasonable hour for the purpose of inspecting, repairing, testing or removing any part of the Company's facilities.

SECTION 2.0 RULES AND REGULATIONS, (CONT'D)

2.17 Credit Requirements

The Company reserves the right to deny or cancel service to entities which do not meet the Company's credit requirements or for whom credit information is not available.

2.18 Late Payment Charges

N

(A) Customer bills for telephone service are due on the due date specified on the bill. A customer is in default unless payment is made on or before the due date specified on the bill, which shall be not less than 25 days from the date of the bill. If payment is not received by the customer's next billing date, a late payment charge of 1.5% will be applied to all amounts previously billed under this Price List, excluding one month local service charge, but including arrears and unpaid late payment charges.

(B) Late payment charges do not apply to those portions (and only those portions) of unpaid balances that are associated with disputed amounts. Undisputed amounts on the same bill are subject to late payment charges if unpaid and carried forward to the next bill.

N

SECTION 3.0 - BASIC SERVICE DESCRIPTION & RATES

3.1 Quality of Service Standards

Supra Telecommunications & Information Systems will offer local exchange services, including dial tone and local calling services, on a twenty-four hours a day, seven days a week basis.

Supra Telecommunications & Information System's services will provide service to meet the following standards:

3.1.1 At least 95% of all calls will receive dial tone within three (3) seconds;

3.1.2 At least 97% of all calls offered to any trunk group will not encounter all-trunks busy condition;

3.1.3 Call completion rate for intra-office calls, interoffice calls, extended area calls and intraLATA toll calls will be at least 95%.

3.1.4 Overall transmission losses within each inter-toll trunk group will not vary more than plus or minus two (2) db.

SECTION 3.0 - BASIC SERVICE DESCRIPTION & RATES (CONT'D)

3.2 Basic Local Service

3.2.1 Residential Flat Rate Service

Residential Flat Rate Service provides residential subscribers a flat rate access line with unlimited calling to all access lines within the customer's local calling area.

(D)

Monthly recurring charge, per line: $9.60 (R)

Nonrecurring connection charge:

First line	$32.00	(R)
Each add'l line	$9.60	(R)

3.2.2. Residential Total Solutions

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Residential Total Solutions provides residential subscribers a flat rate access line with unlimited calling to all access lines within the customer's local calling area and toll-free LATA wide calling within the subscriber's home LATA. This service includes unlimited numbers of compatible calling features as listed in Section 3.4.1.

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SECTION 3.0 - BASIC SERVICE DESCRIPTION & RATES (CONT'D)

3.2 Basic Local Service (Cont'd)

Monthly recurring charge for Residential Total Solutions:			
-Per line		$22.95	N
-Per 2-line		$38.30	
-Per 3-line		$52.90	
Nonrecurring connection charge:			
	First line	$32.00	
	Each add'l line	$9.60	N

3.2.3 Business Line

Business line service provides touch-tone capabilities. A one-time nonrecurring charge applies for installation of service. A flat-rate monthly recurring charge applies for each business line established.

A rotary or hunting arrangement is available with business line service for an additional monthly charge. A rotary or hunting arrangement will allow completion of an incoming call to any of the lines in a group if there is a line in that group not in use at the time.

Monthly recurring charge, per line:		$23.30	(R)
Monthly charge for rotary or hunting, per line:		$10.42	
Nonrecurring connection charge:			
	First line	$44.80	(R)
	Each add'l line	$9.60	(R)

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SECTION 3.0 - BASIC SERVICE DESCRIPTION & RATES (CONT'D)

3.2 Basic Flat Rate Local Service (Cont'd)

3.2.4 Business Trunk

Business trunk service provides touch-tone capabilities. A one-time nonrecurring charge applies for installation of service. A flat-rate monthly recurring charge applies for each business trunk established.

A rotary or hunting arrangement is available with business trunk service for an additional monthly charge. A rotary or hunting arrangement will allow completion of an incoming call to any of the lines in a group if there is a line in that group not in use at the time.

Nonrecurring connection charge:

First trunk	$75.00
Each add'l trunk	$12.00

Monthly recurring charge, per trunk:	$49.47
Monthly charge for rotary or hunting, per line:	$10 .42

3.2.5 Business Total Solutions

Total Solutions is offered as a business individual line service where facilities and equipment are available. This package consists of a line, calling features, listings, and rotary services. The calling features associated with this plan are listed below. For each line, the Total Solutions for business packages also provide the subscriber with an unlimited number of compatible calling features as listed in section 3.4.1. The calling features chosen may vary from line to line in multiple line packages.

SECTION 3.0 - BASIC SERVICE DESCRIPTION & RATES (CONT'D)

3.2 Basic Flat Rate Local Service (Cont'd)

Monthly recurring charge for Business Total Solutions:		
-Per line		$39.95
-Per 2-line		$69.95
-Per 3-line		$99.95
-Per 4-line		$129.95
Nonrecurring connection charge:		
	First line	$59.20
	Each add'l line	$37.00

3.3 Directory Assistance

Customers may obtain assistance, for a charge, in determining a telephone number by dialing local directory assistance. A directory assistance charge applies for each telephone number requested from the Directory Assistance Operator. Pursuant to FPSC rules and regulations, the Company will not charge for directory assistance calls placed by handicapped customers.

Per request:	$0.25

SECTION 3.0 - BASIC SERVICE DESCRIPTION & RATES (CONT'D)

3.4 Custom Calling Features

3.4.1 Features List

1. Call Forward Busy Line
2. Call Forward Don't Answer
3. Call Forward Don't Answer Ring Control
4. Call Forward Variable
5. Flexible Call Forwarding
6. Call Waiting
7. Speed Calling 8
8. Speed Calling 30
9. Three Way Calling
10. Message Waiting Indicator-Audible
11. Message Waiting Indicator-Visual
12. Call Return
13. Call Block
14. Call Tracing
15. Repeat Dialing
16. Call Selector
17. Preferred Call Forwarding
18. Distinctive Ring I
19. Distinctive Ring II
20. Remote Access Call Forwarding
21. Three Way Calling with Transfer
22. Caller ID Number Delivery
23. Enhanced Caller ID with Call Management, with Anonymous Call Rejection
24. Enhanced Caller ID with Call Management, with ACR and Call Forwarding
25. Enhanced Caller ID with ACR
26. Caller ID Name and Number Delivery with ACR
27. Caller ID Name and Number Delivery-Multiline Hunt Group
28. Surrogate Client Number
29. Flexible Call Forwarding with Audio Calling Name

30. Star 98 Access

SECTION 3.0 - BASIC SERVICE DESCRIPTION & RATES (CONT'D)

3.4 Custom Calling Features (Cont'd)

3.4.2 Custom Calling Features Descriptions and Rates

Custom Calling Features are offered in additional to basic local service, on an optional basis and where technically feasible. A monthly and nonrecurring charge applies to each feature subscribed to by the Customer.

If multiple Custom Calling Features are added simultaneously, only one nonrecurring charge applies. If Custom Calling Features are requested when new service is established, only the nonrecurring charges associated with the residential line or business line/trunk installation applies.

3.4.2.1 Three Way Calling

Three Way Calling permits an existing call to be held, and, by dialing, a second telephone call can be established and added to the connection. This service contemplates that normal transmission performance quality can not be guaranteed on all calls.

	Monthly recurring charge
Business:	$4.50
Residential:	$3.60

3.4.2.2 Call Forwarding Deluxe

Call Forwarding provides an arrangement for transferring incoming calls to another local service telephone number by dialing a code and the number of the service to which calls are to be transferred. In addition, calls may be transferred to a long distance message telecommunications point subject to the availability of the necessary facilities in the central office

SECTION 3.0 - BASIC SERVICE DESCRIPTION & RATES (CONT'D)

3.3 Custom Calling Features (Cont'd)

3.4.2.2 Call Forwarding Deluxe (Cont'd)

from which the calls are to be transferred. Call Forwarding shall not be used to extend calls on a planned and continuing basis to intentionally avoid payment in whole or in part, of message toll charges that would regularly be applicable between the station originating the call and the station to which the call is transferred.

Monthly recurring charge

Business:	$4.50
Residential:	$2.70

3.4.2.3 Call Forwarding Busy Line

This feature provides for calls terminating to a subscriber's busy directory number to be forwarded to another telephone number on premises other than the provisioned premises.

Monthly recurring charge

Business:	$2.90
Residential:	$0.90

3.4.2.4 **Call Forwarding Don't Answer**

This feature provides for calls terminating to a subscriber's idle directory number to be forwarded, after a customer-preselected interval, to another telephone number.

SECTION 3.0 - BASIC SERVICE DESCRIPTION & RATES (CONT'D)

3.4 Custom Calling Features (Cont'd)

3.4.2.4 **Call Forwarding Don't Answer (Cont'd)**

Monthly recurring charge

Business:	$2.90
Residential:	$0.90

3.4.2.5 **Call Waiting Deluxe**

This service allows a customer to control the treatment applied to incoming calls while the customer is off-hook on a call. Call Waiting Deluxe includes the functionality of the Call Waiting feature and provides several additional call disposition options.

Monthly recurring charge

Business:	$5.60

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Residential:	$5.50

3.4.2.6 Speed Calling (8 code)

Speed Calling provides for the calling of a seven or ten-digit telephone number by dialing an abbreviated code. Up to eight abbreviated codes is assignable.

SECTION 3.0 - BASIC SERVICE DESCRIPTION & RATES (CONT'D)

3.4 Custom Calling Features (Cont'd)

3.4.2.6 Speed Calling (8 code) Cont'd

	Monthly recurring charge
Business:	$2.70
Residential	$1.80

3.4.2.7 Speed Calling (30 code)

Speed Calling provides for the calling of a seven or ten-digit telephone number by dialing an abbreviated code. Up to thirty abbreviated codes is assignable.

(D)

	Monthly recurring charge	
Business:	$4.50	(N)
Residential:	$2.70	(R)

3.4.2.8 Call Return

N

This feature enables a customer to place a call to the telephone number associated with the most recent call received, whether or not the call was answered or the number is known. The customer can dial a code to request that the network place the call.

	Monthly recurring charge	
Business:	$5.40	
Residential:	$3.60	
Per Activation Charge	$.75	(Non-Subscription)

SECTION 3.0 - BASIC SERVICE DESCRIPTION & RATES (CONT'D)

3.4 Custom Calling Features (Cont'd)

3.4.2.9 Repeat Dialing

Repeat Dialing, when activated, automatically redials the last number the customer attempted to call. If the called line is not busy, the call will be placed.

	Monthly recurring charge
Business:	$4.50
Residential:	$3.60
Per Activation Charge (Non-subscription)	$.75

3.4.3.0 Call Number ID Blocker

This feature provides the customer the ability to prevent incoming calls from up to six different numbers. N

Monthly recurring charge

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Business:	$4.05
Residential:	$3.60

3.4.3.1 Call Tracing

Call Tracing enables the customer to initiate an automatic trace of the last call received.

SECTION 3.0 - BASIC SERVICE DESCRIPTION & RATES (CONT'D)

3.4 Custom Calling Features (Cont'd)

3.4.3.1 Call Tracing (Cont'd)

Monthly recurring charge

Business:	$4.50
Residential:	$3.60
Per successful trace (Non-subscription)	$3.50

3.4.3.2 Caller ID Deluxe

This feature enables the customer to view on a display unit the calling party Directory Name and Directory Number (DN) on incoming telephone calls.

Monthly recurring charge

N

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Business:	$9.90
Residential:	$6.75

3.4.3.3 Annoyance Call

This feature allows customers to automatically reject incoming calls when the call originates from a telephone number which has invoked a blocking feature that prevents the delivery of their number to the called party. When Annoyance Call is activated on the customer's line and an incoming call marked private is received, the called party's telephone will not ring.

SECTION 3.0 - BASIC SERVICE DESCRIPTION & RATES (CONT'D)

3.4 Custom Calling Features (Cont'd)

3.4.3.3 Annoyance Call (Cont'd)

The call will be routed to an announcement and subsequently terminated. The announcement informs the calling party that the person they are trying to reach will not accept calls as long as the calling number is not delivered.

Monthly recurring charge

Business:	$3.60
Residential:	$2.70

3.4.3.4 Call Selector

Call Selector provides a distinctive ringing pattern to the subscribing customer for up to six specific telephone numbers.

Monthly recurring charge

Business:	$4.05

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	Residential:	$3.60

3.4.3.5 Smart Features Value Pack

Customer may select up to 30 custom calling features

Per month	$13.35

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SECTION 3.0 - BASIC SERVICE DESCRIPTION & RATES (CONT'D)

3.6 Verification and Emergency Interrupt Service

Verification and Emergency Interrupt Service is furnished where and to the extent that facilities permit. The customer shall indemnify and save Customer harmless against all claims that may arise from either party to the interrupted call or any person. M

Verification Service is provided for the purpose of aiding subscribers with legitimate call completion problems. Upon request the operator will verify and provide the line status condition of a local subscriber line. A subscriber originated request for verification of a local number other than an emergency agency number is a chargeable verification request if Customer determines that the line is in use. No charge applies if the line is out of order.

Verification, each request: $0.35

Emergency Interrupt Service is provided when a subscriber has originated a verification request to a line which has been found in a busy talking state informs the operator that an urgent or emergency situation exists and requests that the operator have the busy line cleared. A subscriber originated request for Emergency Interrupt to a local number other than an emergency agency is a chargeable Interrupt request.

Emergency Interrupt, each request: $.45 M

SECTION 3.0 - BASIC SERVICE DESCRIPTION & RATES (CONT'D)

3.5 Operator Assisted Local Calls

Operator Assisted Local Calls are calls placed to a local calling area, areas that can be called on a flat rate basis, with the assistance of an operator. An operator surcharge applies to each operator-assisted call.

Station to Station Calling/Credit Card, per call:	$ .75
Station to Station Collect, Third Number, per call:	$1.52
Person to Person, per call:	$2.98

If the operator dials the terminating number, the following per call charge applies in addition to the operator surcharges.

Per Call Charge:	$.60

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SYMBOLS

The following are the only symbols used for the purposes indicated below:

D - Delete or Discontinue

I - Change Resulting in an Increase to a Customer's Bill

M - Moved from another Price List Location

N - New

R - Change Resulting in a Reduction to a Customer's Bill

T - Change in Text or Regulation but no Change in Rate or Charge.

When changes are made in any Price List sheet, a revised sheet will be issued canceling the Price List sheet affected. Changes will be identified on the revised sheet(s) through the use of the above mentioned symbols.

SECTION 1.0 - TECHNICAL TERMS AND ABBREVIATIONS (CON'T'D)

1.2 Definitions

Answer Supervision - The transmission of the switch trunk equipment supervisory signal (off-hook or on-hook) to the Customer's point of termination as an indication that the called party has answered or disconnected.

Authorized User - A person, firm, corporation or other entity who is authorized by the Customer to be connected to the service of the Subscriber under the terms and regulations of this tariff.

Carrier or Company - Used throughout this tariff to refer to Supra Telecommunications & Information Systems unless otherwise clearly indicated by the context.

Company - Used throughout this tariff to refer to Supra Telecommunications & Information Systems unless otherwise clearly indicated by the context.

Customer - Any person, firm, partnership, corporation, or other entity which uses telecommunications services under the provisions and regulations of this tariff and is responsible for payment of charges.

Customer Designated Premises - The premises specified by the Customer for termination of services.

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Increased Interconnection Task Group II Report

Network Reliability Council

January 14, 1996

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NRC Task Group II

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Increased Interconnection
Task Group Report
Network Reliability Council
December 1, 1995

1. EXECUTIVE SUMMARY

Interconnections of service providers in the evolving Public Switched Telecommunications Network (PSTN) are increasing rapidly due to technology and competitive business factors. The responsibilities for telecommunications network integrity and reliability are integral to the continuing success of this industry. The real time two-way interoperable nature of the network requires close cooperation among all the service element providers, even while many of them are competing for the business of the same customer set. This task group was chartered to identify and propose solutions to the issues of network reliability resulting from an increasing number of interconnected service providers that make up the national telecommunications network, e.g., local service, inter-exchange service, wireless "cellular" service, satellite mobile service and competitive variations of these types. In the context of this report, reliability is defined as measures of the network's resiliency to failures, ability to restore a failed service and apply preventative fault migration techniques. The fifteen (15) participants on the task group team selected to complete this study were from companies that represent the interests of current and future service providers.

The study was limited to switched voice service networks and the reliability issues to be expected within 3-5 years. Understandably, data networking will continue to influence the composition of the network fabric and will become increasingly important as the National Information Infrastructure capability evolves. However, the more urgent nature of inter-connected voice networks was the assigned scope of the task group's efforts. Most of the processes described and the recommendations made are believed to be applicable to data networks, as well. However, this group did not focus specifically on the growing Internet-like services, e.g., e-mail, or enhanced database services that span multiple carriers. New technologies, e.g., ATM(Asynchronous Transfer Mode), are covered by Task Group III of this Network Reliability Council.

This report presents an analysis of critical network reliability issues, currently highlighted by the increasing number of service providers requiring interconnected networks that are now forming the national telecommunications network infrastructure. Recommendations are suggested to maintain or enhance network reliability (Appendix 3). Two associated issues are addressed: standards development process assessment and funding the coordination of national inter-network interoperability testing.

In the body of this report, analyses of current processes and techniques applicable to points of interconnection between networks yield recommendations to maintain and enhance reliability. Some companies are already very knowledgeable in the areas of interoperability, as a result of operational experience with their own diverse networks. Others are in the beginning stages of awareness, as they enter the telecommunications business and the maturing process is problematic. Recognizing that new service providers have a set of business priorities in front of them, issues of interconnection reliability are not considered critical at this time. However, for those companies able to sense and appreciate the multi-faceted scopes-of-work and efforts needed to achieve network interconnection and meet network reliability expectations, this report can be of value to provide a guide to suggest places to start and methods/processes to implement. Specifically, Section 5.6 provides two sets of procedural templates that may be used as "how to" guides to assist in developing reliable interconnections. The overriding recommendation is for all businesses comprising the national network of networks to get involved with each other in industry fora, in addition to one-to-one relationships necessary to interconnect.

Data were collected by an industry survey sent to manufacturers and service providers, as well as from presentations by recognized industry experts. It is important to note there was limited data from the cable TV industry to formulate a thorough understanding of the issues they will face during interconnections to the PSTN.

Throughout this report various industry documents are referenced. There was no evaluation of these documents that imply they are what has become known in the previous NRC work efforts as "Best Practices". The definition of "Best Practices" or "Recommended Practices" as used in this report is as follows:

> The terms "Best Practices", "recommended Practices" or "Recommendation" are those countermeasures (but not the only countermeasures) which go furthest in eliminating the root cause(s) of outages. None of the practices or recommendations are to be construed as mandatory.
>
> Service providers and equipment suppliers are strongly encouraged to study and assess the applicability of all countermeasures for implementation in their company products. It is understood that all countermeasures, including those designated as "recommended", may not be applied universally.

1.1 GENERAL FINDINGS, CONCLUSIONS, KEY MESSAGES

The NRC survey was distributed to a large number of wireline, wireless , satellite, cable and alternate access companies. Most of the responses received came from the wireline and cellular telecommunications industries, which are more experienced at interconnection than satellite and cable TV industries at this time.

(A list of acronyms can be found in the Glossary, Section 11.2.)

1.1.2 *Wireline Carriers*

The wireline industry is mature, but it has undergone tremendous changes since the breakup of the Bell System. These carriers have had to develop processes to accommodate connections among local exchange, interexchange and cellular carriers.

The wireline industry has pioneered many of the standards for interconnection and installation/turn-up testing. The industry's planning, testing and monitoring/surveillance systems are generally the most mature of all of the industries surveyed and can, in many cases, be used as a model by other parts of the industry.

The wireline carriers have developed a system of "firewalls" to minimize the possibility of problem propagation across network boundaries. While such systems are always being enhanced, we believe future connections at current network interconnection points can be accommodated within this framework and that radical changes to the present system are not needed.

1.1.3 *Wireless "Cellular" Carriers*

The wireless "cellular" industry generally consists of two groups of carriers. The first is the 800 MHz cellular business which is both expanding and maturing. Many wireless "cellular" carriers already operate complex regional or national voice networks. Over time, they have developed standards and testing procedures for interconnection. The importance of standards, interoperability testing --some of which are best performed on a nationally coordinated basis -- and bilateral agreements is highlighted with specific recommendations to ensure continued reliability of interconnections between wireless and other types of networks.

The second group, emerging PCS and wireless data businesses, is much less mature. While it is expected that many of the PCS carriers will adopt procedures similar to the cellular (800 MHz) industry, these carriers are only now formulating their plans and completing the design of their networks. These carriers are encouraged to participate in these standards, interoperability testing and bilateral agreement processes.

1.1.4 *Satellite*

The domestic satellite industry has matured as the provider of dedicated transmission capacity for video, voice and data services to the community of private user networks. The user community includes major television networks, cable TV operators, private Very Small Aperture Terminal (VSAT) networks carrying data/voice/video and direct to home (DTH) entertainment providers. These satellite-based services often interface with the transport segments of the PSTN, but do not provide switching as part of it and therefore are not viewed as a risk to network reliability.

This model is expected to change with the introduction of satellite-based mobile telecommunications services. There are several architectural concepts under development that differ primarily in the space segment, e.g., number of satellites, orbital planes and altitudes above the earth. A satellite-based mobile service will provide voice, data and facsimile communications through interfaces with the PSTN and cellular networks. The interface will be through a ground-based mobile switching center (MSC) that meets existing PSTN and wireless interface standards.

1.1.5 *Cable TV*

The cable companies are emerging voice telecommunications service providers. They will have the same level of responsibility as other service providers to ensure the reliability of the National network. The focus of this study was to examine the differences and similarities of cable operators to other types of service providers to determine if their needs for interconnection require special requirements. As a result of this investigation, it appears that there will be many similarities and few differences between cable companies and other wireline providers in the telecommunications environment.

The NRC Task Group on Interconnection lacked direct participation by the cable industry, even though efforts were made to encourage participation. Moreover, since the cable operators will play a large role in telecommunications in the near future, it would have been desirable for the cable networks to have been represented in this study. Contact was made with a cable industry representative to gather data. Some information was provided to the task group by the NCTA. Also, information from the non-cable companies who did respond to the questionnaire was used to help reach these conclusions, although they answered the questions from the perspective of entities who will be interconnecting with cable companies.

When reviewing the material and studying the proposed architectures for the cable companies to enter into the telecommunications service provider scenario, it became apparent that cable companies begin to look like other wireline carriers. They will be using similar technologies from the same equipment vendors and have the same requirements for interconnection to complete calls across multiple networks. For these reasons, it is recommended that the cable operators' responsibility for critical reliability issues fall under the same guidelines and requirements as other wireline network providers. To the extent they offer wireline network services, they should follow the same recommendations made to other wireline service providers.

Through interviews with knowledgeable cable industry people, we concluded that cable companies would agree with the respondents to the industry survey that service providers are primarily responsible for developing, planning and ensuring inter-network reliability and interoperability between their networks.

1.1.6 *Standards Development Process Assessment*

Telecommunications standards development in the United States is driven by the ANSI accredited democratic procedures of consensus and open participation by interested volunteer subject matter experts who submit and work issues/contributions through the process. (See note below.) No major weaknesses in the processes as they relate to network reliability issues were identified. Recommendations to further enhance the standards development process include:

- Earlier identification of standards needs
- Increased liaison with associated groups
- Developing performance requirements for complex network elements, as well as element interfaces
- Extension of existing standards groups work efforts relating to interconnection of cable television and satellite industry systems

A general concern was also expressed relative to the future role of Bellcore and its influence on industry standards. Results from the industry survey indicate a high reliance on Bellcore TRs/GRs. Since the RBOCs announced their intention to sell Bellcore, the task group noted potential concern regarding the future management of generic requirements. This subject is presented further in Section 6.

> Note: A general criticism of standards is the time it takes to develop them. For the specific interests of network reliability, standards revisions are more quickly paced and were rated as acceptable. However, as stated in the lead-in paragraph, the ANSI-accredited process is consensus based, democratic and dependent on volunteered technical contributions and volunteered industry resources to accomplish the work. The North American competitive telecommunications standards development process is viewed by other countries, e.g., Japan-TTC and European-ETSI, as positive process examples for their systems. North American standards groups maintain close working level contact with these international organizations to ensure continual improvements are applied to the standards development processes.

1.1.7 *Interoperability Testing/ Funding and Management*

The goal of the task group's work was extended beyond the specific charge to recommend an IITP (Inter-network Interoperability Test Plan) funding method. This report not only offers funding methods, but it also outlines a functional management structure that will continue present inter-network-interoperability test requirements development and stress testing and also allow evolution to address future network interconnection reliability issues.

In the NRC I Report, "Network Reliability: A Report to the Nation", dated June, 1993, the activities of the IITP were recommended "to continue on an ongoing basis." The IITP-type testing methodology and industry functional cooperation have proven to be successful in improving the nation's telecommunications network reliability. This task group reaffirms the NRC I recommendation to continue these cooperative industry relationships. The interconnection management processes should be institutionalized to permit continual evolution based on the following phased organizational approach.

Phase 1
The current process, with seven RBOCs funding Bellcore as the overall IITP coordinator and with industry-wide resource participation, should continue until a replacement system is operational.

Phase 2
The Alliance for Telecommunications Industry Solutions (ATIS) is recommended to sponsor a new, financially self-supporting, industry function to be called the IITC (Inter-network Interoperability Test Coordination). Mandatory fees for supporting the IITC function and the associated testing would be assessed to all telecommunications service providers and manufacturers who sell telecommunications services or equipment. Mandatory financial support of

the IITC by service providers and equipment manufacturers is seen as beneficial to increase awareness and uphold network reliability objectives and thus improve the increasing and technologically evolving network interconnections. The task group developed a number of funding principles that resulted in an illustrative fee structure. However, an exact fee structure was impossible to determine because of the number of unknown parameters. These details are best handled by the IITC. Beyond the industry's work, the FCC should consider alternative long-term funding methods in the context of other emerging funding requirements, e.g., NANPA administration, that will surface from increased network interconnection, if the recommended methods do not provide adequate funding.

Phase 3
Once the IITC is operational, manufacturers and service providers will participate in the management and conduct of ongoing nationally coordinated interconnection testing.

2. Background

2.1. Several driving forces are at the root of this study effort: deregulation, competition and technology changes. These dynamic changes will result in increased complexity and numbers of interconnected networks which need to be considered to ensure the continued stability of the national telecommunications infrastructure. The Network Reliability Council (NRC) was chartered by the Federal Communications Commission (FCC) in 1994 to study and recommend policy changes that will ensure the continuation of the high quality of telecommunications service offered as competition and technology evolve.

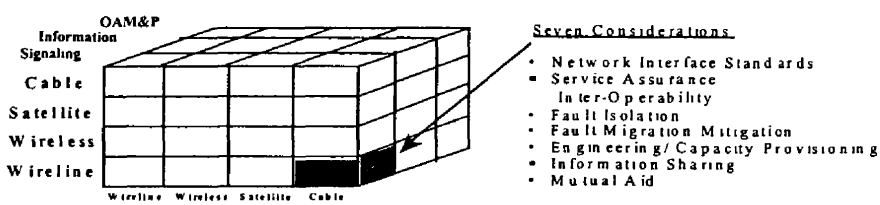
The NRC's NOREST II Steering Committee identified five areas for study. This area of focus for this report is titled "Increased Interconnection" and the group was charged by the NOREST II Issue Statement found in Appendix 5.

The detailed contributions of this report are presented in three sections:

Section 5.	Study Results by Type of Network Service Provider
Section 6.	Technical Standards Development Process Assessment, Analysis and Recommendations
Section 7.	Analysis and Recommendations for Network Interoperability Testing and Funding

The task group divided the analysis function into three basic types of interconnections where interoperability/reliability issues materialize: information channel, signaling channel, OAM&P channel, all contained in a physical channel that carries the three aforementioned logical channels. Then, the industry was segmented into wireline, wireless , satellite and cable TV providers. This defined all possible points of inter-connection and compartmentalized the work efforts into a number of subject specific boxes for study.

Chart 2.1
Work Breakdown Structure



As shown above in Chart 2.1, there were seven areas of consideration for each interconnection possibility identified in the Issue Statement charge from the NRC. Applied to the matrix shown above, that yielded 336 possible areas to study. However, many of the segments are duplicated and were combined by the task group.

The 15-member task group met each month, January to November 1995, to conduct research, analyze and identify strengths and weaknesses in the present system of managing interconnected networks. (The mission statement and milestone chart in Appendix 5 describes the work initiatives and project goals.) The intent of the report is to create a

reference that critiques present processes, presents recommendations for improvement and provides new network service providers with a prescription for technical success as a reliable service provider in the national telecommunications infrastructure.

A summary of the recommendations is presented in the form of templates (see Section 5.6). In addition, sections 6 and 7 address issues of Technical Standards Development Process Adequacy and recommendations for Inter-network Interoperability Testing and Funding.

###

3. Team Membership

A team representing the present and future businesses in the telecommunications industry was selected to conduct this study. Representatives from competitive access providers, local exchange carriers, inter-exchange carriers, telecom equipment manufacturers, satellite, cable TV and certain key industry associations were asked to participate in the task group. The following list of people were the primary contributors to the task group effort.

Industry Segment	Name	Company
Satellite Carriers	Floyd Stuart*	Hughes Communications, Inc.
Wireless Carriers	Dick Gove*	Ameritech Cellular
	Neale Hightower	BellSouth Mobile Data
Local Exchange Carriers	Christine Butler*	U S WEST Communications, Inc.
	Christine Cairns	Pacific Bell
	Mike Billings	GTE
Competitive Access Providers	Lee Wollgast	ICG Access Services, Representing ALTS
Inter-Exchange Carriers	Peter Guggina	MCI
	Dennis Schnack	Sprint
	Pete Shelus*	AT&T
Associations & Telecom Consultants	Barry Lewin*	Bellcore
	Art Reilly	ATIS Committee T1
	Rick Harrison	ATIS Network Operations Forum
Equipment Manufacturers	Clyde Miller	NORTEL
Task Group Chair	Terry Yake	Sprint

Note: An asterisk indicates this team member also served as a subgroup leader.

Each of the five task groups within the NRC was assigned a mentor to help guide the group through the study effort and meet the intended goals. Ross K. Ireland from Pacific Bell was this group's champion and mentor.

###

4. DATA COLLECTION AND ANALYSIS METHODOLOGY

In order to adequately study the current and future national network reliability issues that derive from the increasing number of communications service providers, the Network Interconnectivity task group determined that it required an industry-wide view of these issues. Such a view would necessarily recognize the diverse nature of the various industry segments (e.g., traditional wireline telcos, wireless providers, cable TV companies, satellite service providers, equipment manufacturers, etc.). Accordingly, the group developed a questionnaire to survey representatives of these industry segments and solicit their opinions about the importance of various network interconnection reliability issues, the efficacy of several proposed solutions and additional suggestions for future procedures.

The remainder of this section describes the questionnaire and the process used to administer it and summarizes the response rates from the industry.

4.1 *Questionnaire Description*

The questionnaire had three parts. The first part requested background information on the responding company's role in the telecommunications industry. It included questions concerning the industry segment of the company, the size of the company and the extent of the company's participation in various industry fora. The industry segments included:

1. Cable networks
2. Satellite networks
3. Wireless networks
4. Wireline networks
5. Others (equipment manufacturers)

If a company was involved in more than one of these segments, it was asked to complete one copy of the questionnaire for each of the segments in which it was active.

The second part of the questionnaire involved an assessment of the current and future situation concerning inter-network connectivity. Included were questions concerning the criticality of inter-network connections between the responding company's network and networks of the various types listed above, the risk associated with various interface types (i.e., physical, signaling channel, user interface channel and OAM&P), reliability and performance requirements for network interconnections and methods for coordinating inter-company OAM&P.

The third part was focused on processes and practices designed to mitigate potential future interconnection problems and ensure end-to-end network reliability as more service providers interconnect and increase the complexity of national and international communications networks. The questions in this part addressed the allocation of responsibility for inter-network reliability and interoperability; the processes used to ensure such reliability and interoperability; methods such as firewalls used to protect against fault migration, intrusion on control channels and negative performance impacts; methods to be used for establishing new interconnection interfaces; and the extent of existing disaster recovery plans.

While numerous types of interconnections may be available now and in the future, the scope of the questionnaire was limited to those interconnections that result in the provision of switched voice telecommunications services. A complete copy of the questionnaire is provided in Appendix 2.

4.2. *Data Collection and Analysis Process*

The NRC designated Bellcore as the central point for requesting, collecting, compiling and aggregating data for all task groups. All data provided to Bellcore was protected under a non-disclosure agreement. The data were treated as proprietary information and specific references to individual respondents were removed during the aggregation process.

The NRC was directed to obtain a view of all segments of the industry. The NRC asked each company to identify a Single Point of Contact (SPOC). In total, 6 inter-exchange carriers, 12 local exchange carriers, 18 wireless companies (including the 10 largest), 9 cable TV companies, 9 satellite (or mobile satellite) companies and 14 manufacturers identified SPOCs. Only three (3) companies who were asked to provide a SPOC refused. Bellcore sent all data requests to the SPOC in each company. All the largest companies in the industry were asked to participate. The companies represented over 90 percent of the subscribers in each industry segment.

The questionnaires were sent to the SPOCs on April 12 (the companies that were late in identifying their SPOCs received their questionnaires within one day of receiving the necessary information). The original cutoff date for responses was April 30, 1995. However, this date was extended to July 12, 1995, to include as many responses as possible. An additional three (3) companies sent in responses after the due date and were not included. The final tally of responses was as follows:

Industry Segment	Number of Responses
Cable network	1*
Satellite network	5
Wireless network	11
Wireline network	18
Manufacturer	9
Total	44

* This response was represented as the cable industry's consensus.

The responses were aggregated and summarized in various tables and graphs on both an overall basis and by industry segment. These results were then analyzed by industry segment-specific subgroups by the Increased Interconnection Task Group. Selected results, taken from the industry questionnaire results, follow which support Section 5. The findings and recommendations appear in the following sections of the report.

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Figure 4-1. Standards Bodies Participation (Chart 7)

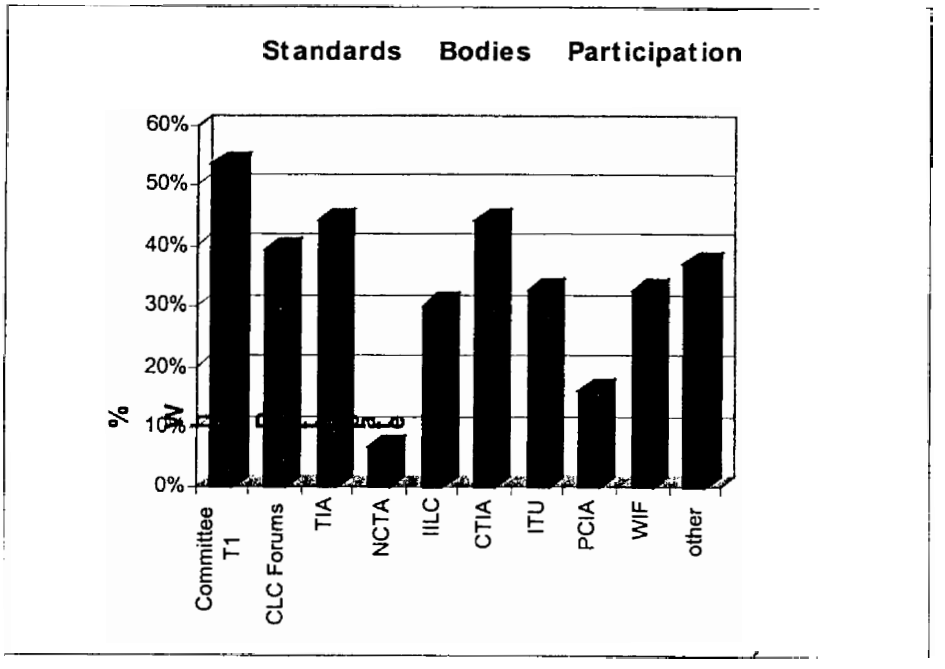


Figure 4-2. Critical Inter-network Connections (Chart 9)

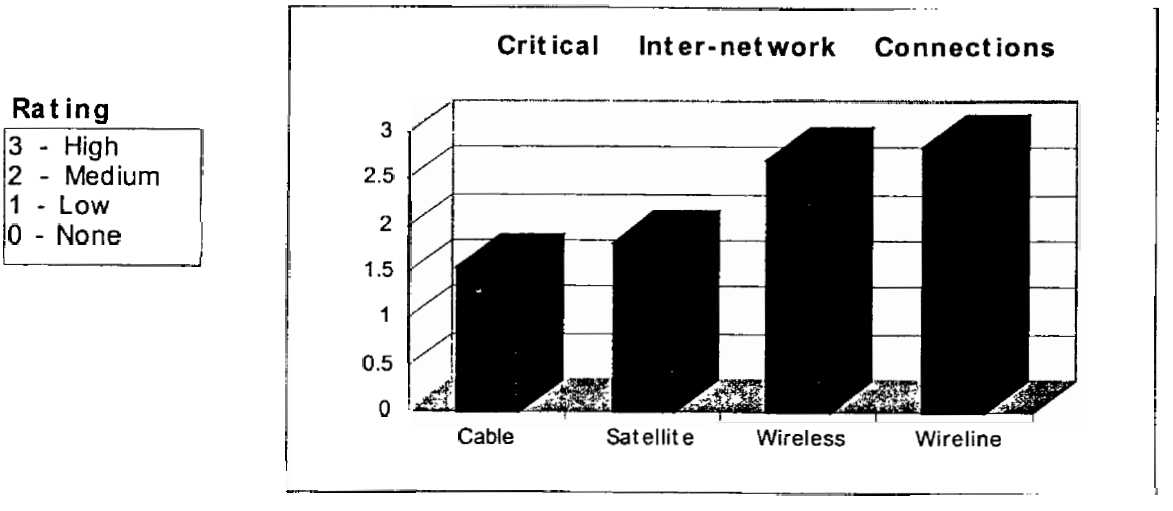


Figure 4-3. Key Interfaces That Show the Survey Results (Chart 10)

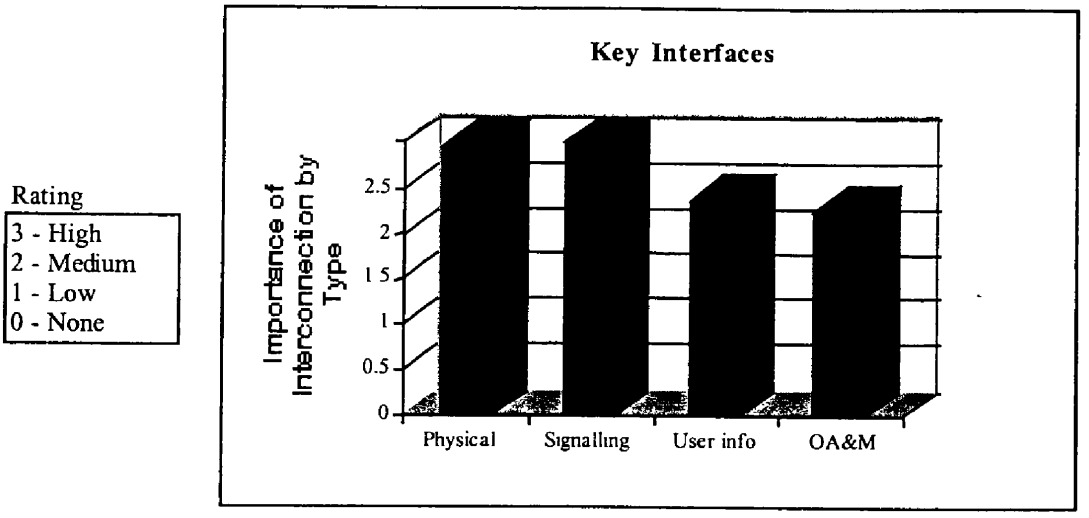


Figure 4-4. Bilateral Agreement Specifications (Chart 11d)

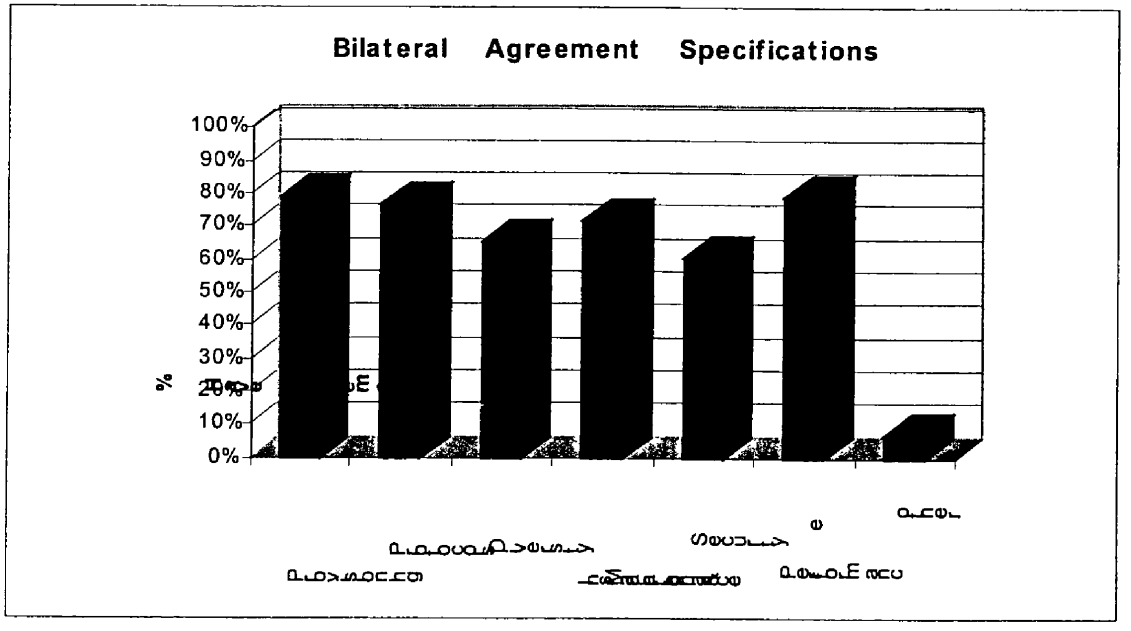


Figure 4-5. Firewalls/Safeguards (Chart 18)

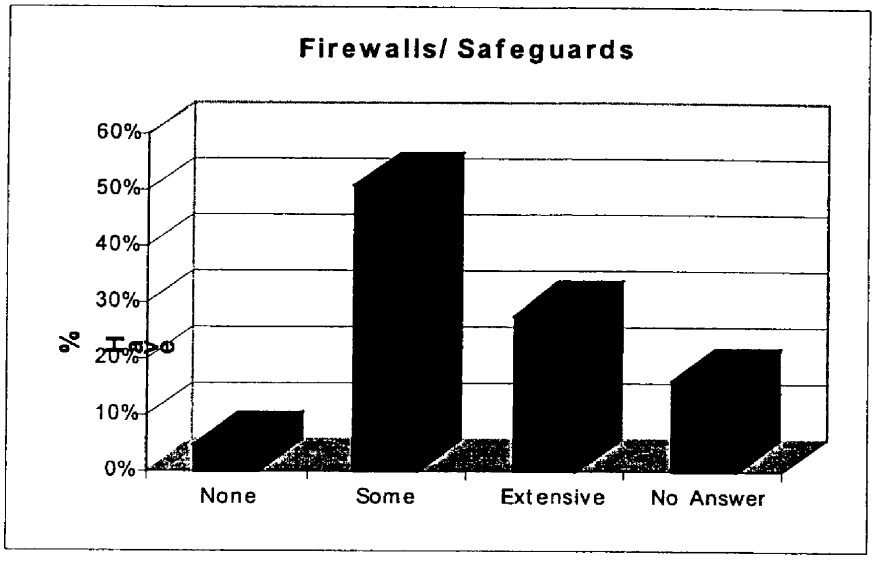


Figure 4-6. Disaster Recovery Plans (Chart 19a)

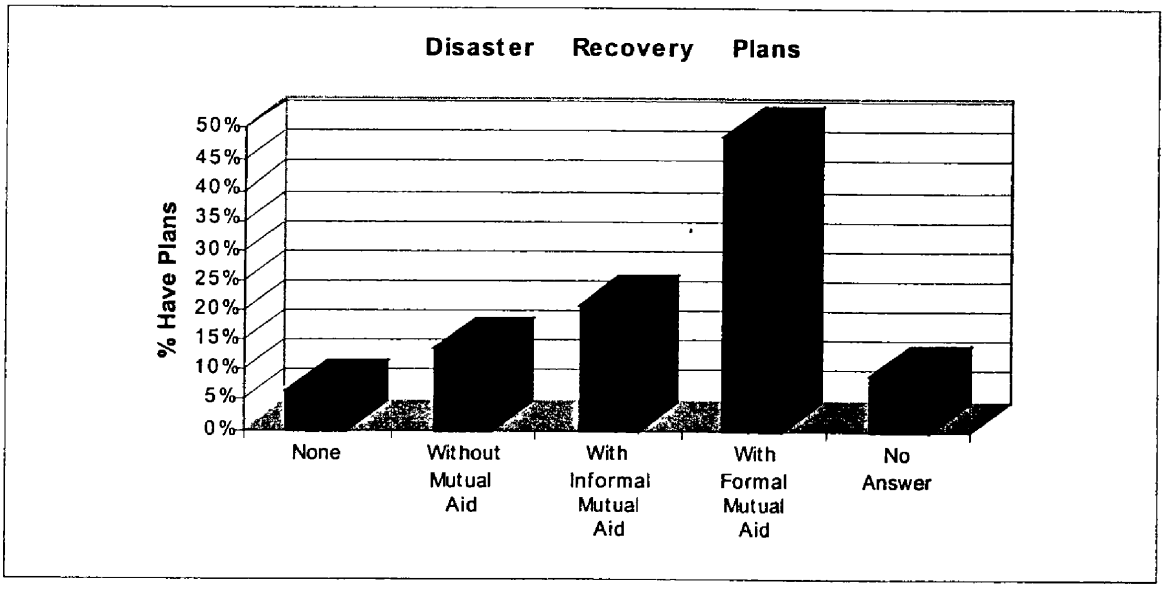
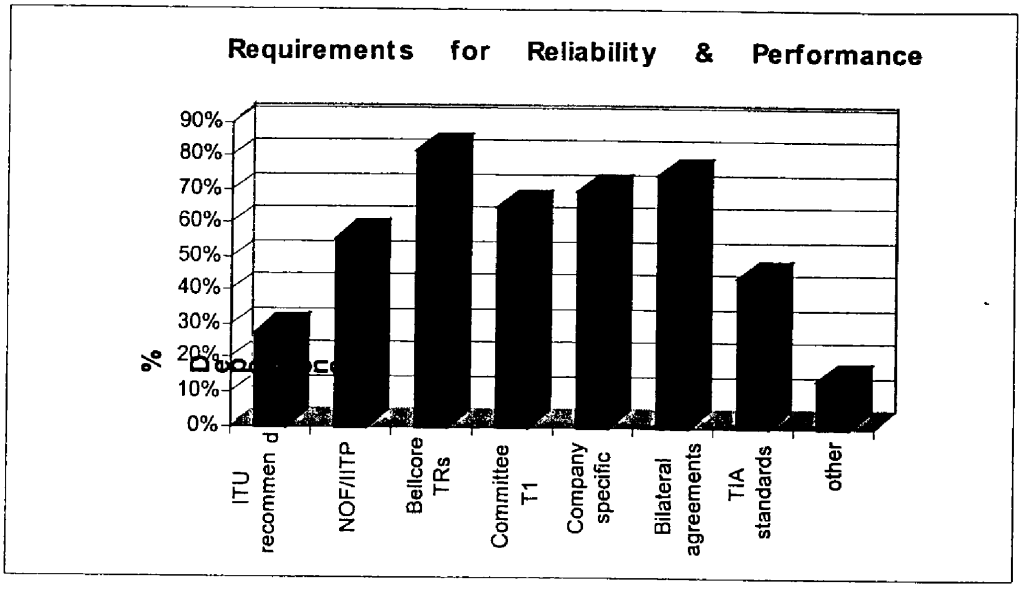


Figure 4-7. Requirements for Reliability & Performance (Chart 11a)



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5. STUDY RESULTS BY TYPE OF NETWORK PROVIDER

5.1 WIRELINE INTERCONNECTIONS

5.1.1 *DESCRIPTION*

With the invention of the telephone came the development of Public Telephone Service (PTS), whereby a customer had a dedicated connection to a central office and could be connected to any other customer of the service. This was sometimes referred to as plain old telephone service (POTS). The traffic network that provides PTS or POTS is referred to as the Public Switched Telephone Network (PSTN). While many different technologies are employed in the provision of the PSTN, for the purpose of this report the network providers who currently provide the PSTN are referred to as wireline providers. This section of the report will examine the implications of new interconnections to the PSTN from the perspective of the wireline network providers.

The PSTN has been the basis for providing POTS for well over a century. The PSTN has enabled end user customers to communicate with others in their local areas, across the United States and throughout the world. For a transcontinental call, the PSTN consists of the following basic interconnected networks and elements:

End User----	Local Exchange----	Inter-Exchange----	Local Exchange----	End User
Equipment	Carrier	Carrier	Carrier	Equipment

The End Users are the customers who want to communicate with each other; Local Exchange refers to the companies that provide dial tone to the end users; Inter-Exchange refers to those providers that provide facilities that cross defined geographic boundaries, e.g., exchange, local access transport areas (LATAs), or state. Thus, for a typical call, at least three different wireline companies could be involved in providing service to enable a customer to originate and/or terminate calls. Traditionally, the Local Exchange element has been performed by the Local Exchange Carriers and, prior to 1984, AT&T Long Lines was the predominant Inter-Exchange provider. Today, there are over 500 Inter-Exchange providers and several companies are emerging to become Competitive Local Exchange Carriers. In the near future, a wide variety of new entities are expected to emerge to perform the functions of these basic PSTN elements, primarily in the Local Exchange portion of the network. For the purposes of this report, attention is focused on the emergence of the cable TV, satellite and wireless industries, as well as new Local Exchange Carriers, as the new players that will interconnect to the PSTN.

Much has and is still being written about the "information superhighway" and the "convergence" of computers, telecommunications and television technologies. It is beyond the scope of this report to examine all the implications of this transformation of the telecommunications industry. One prominent industry leader has stated, "When it comes to development, information technology today is in its infancy. Just like automobiles at the turn of the century, just like television in the 1940s and just like jet travel in 1950s, if we've learned anything from the development of those technologies, it's that growth will be wild and chaotic and what ultimately happens will defy anyone's prediction."

Thus, this report will more narrowly focus on how voice services will be provided in the next 3 to 5 years as new entities interconnect to the PSTN to offer voice telecommunications services.

The emergence of these new business entities is driven by the expanding marketplace, technology and changes in regulation. With respect to the marketplace, it should be noted that local and long distance telecommunications in the United States is a $150 billion industry. Thus, it is an attractive market for new entrants. In addition, advances in technology will continue to make it easier for new entities to enter the telecommunications market. (For example, cable video operators will be able to handle POTS as well as TV programs over their facilities.) With respect to regulation, the prime drivers have been actions by the FCC to increase competition (for example, see FCC Dockets 91-141 regarding increased interconnection and Docket 91-213 regarding the restructuring of the local transport/access) and actions by the State Utility Commissions and legislatures to increase competition. In addition, legislation being considered by Congress will markedly increase the number of entrants into the PSTN marketplace.

5.1.2 *CRITICAL INTERCONNECTION POINTS*

A network interconnection is considered to be critical if messages or events, or the absence of messages or events, presented to an interface could reasonably cause a serious impairment at or beyond that interface.

For purposes of this task group report, a serious impairment is an event that meets the FCC's reportable impact criteria contained in FCC CC Docket 91-273, regardless of whether or not the service is subject to the specified reporting requirements.

Before considering the criticality of actual interconnection points, the task group examined interconnections from a wireline provider perspective. The projected potential growth in interconnections is occurring between the wireline network and the following types of networks:

- other wireline networks
- wireless networks
- cable TV networks
- satellite networks

While the general focus of the report was to look 3-5 years beyond today's network interconnections, the team hypothesized, at least for the next 1-2 years, there will not be significant growth in interconnection between the wireline and cable TV networks, or between the wireline and satellite networks, to make them critical. Further, the team hypothesized, interconnections between the current wireline network and emerging wireline network entities, such as Competitive Local Exchange Carriers (CLECs) and Alternate Local Telephone (ALTs) providers and between the wireline network and wireless entities, such as wireless "cellular" carriers and Personal Communications Systems (PCS) entities, would see strong growth within 1-2 years and thus would be critical.

The response from the questionnaire sent to the industry confirmed the team's conclusion. In addition, the response showed the industry believed that connections between cellular networks would be critical. Section 5.2 addresses wireless "cellular" connections, while the remainder of this section will be devoted to connections between the wireline network and other wireline networks and between the wireline network and cellular networks. Satellite and cable TV interconnections will be covered in detail in Sections 5.3 and 5.4 of this report. Section 12 Figure 1 describes the basic interfaces utilized in the interconnected PSTN network and shows how satellite and cable TV interconnections will be accommodated.

The second phase of the examination of criticality of interconnection points was the examination of elements common to specific interconnection points and includes:

- Physical Channels
- Signaling Channels
- User Information Channels
- OAM&P Channels
- Synchronization and Timing

The definition of these elements and a discussion of their criticality is given below.

A theme throughout the questionnaire responses and the presentations made to the team was the importance of the need to comply with existing standards to assure network reliability and interoperability. In addition, it became clear that compliance with new standards addressing interconnection points between existing wireline and emerging local service providers would be critical for continued network reliability and interoperability.

Recommendation 1. Special attention should be given to utilizing applicable existing standards and implementing new standards addressing interconnection points between existing wireline and emerging local service providers.

5.1.2.1 *PHYSICAL CHANNEL*

The physical channel is the facility that is used to carry the Signaling Channel, the User Information Channel and the OAM&P Channel, as described below. The physical channel interface is the point where two telecommunications systems/facilities interconnect. Usually, it is described by industry terms such as copper or fiber, which may be inferred from the capacity of the facility at the interface, e.g., DS-O, DS-1, DS-3, OC-12 and the like.

The physical channel interface is the best defined of all the channel interfaces. The primary importance of the physical channel is its use as an integral component in carrying user information, signaling and OAM&P messages. The team did not focus on the reliability of physical channel interfaces since standards and operational procedures are well documented. Further, physical channel reliability is already the subject of continuing industry efforts to identify root causes and improve this element's reliability. However, the responses from the questionnaire showed the industry to be still focused on the high level of risk to the physical channel. This task group did expand its project scope to address the written comments concerning network timing and synchronization, as we surmise some respondents expanded the definition of physical channel interface to raise these concerns. Network timing and synchronization, an element of the physical channel reliability, are covered in Section 5.1.2.5 of this report.

5.1.2.2 *SIGNALING CHANNEL*

For traditional telecommunications services, signaling refers to the mechanism necessary to establish a connection, monitor and supervise its status and terminate it through the transmission and switching fabric of the underlying networks. These signals are messages generated by the user or some internal network processor, pertaining to call management. Signaling interconnections transfer this information to and among remote network elements. The signaling network is the collection of physical transport facilities and network elements that carry call routing signals.

The signaling channel interface is commonly available in two varieties, in-band and out-of-band. Multi-frequency (MF) is an example of in-band signaling. SS7 is an example of out-of-band signaling. For the purposes of this report, the signaling channel interface indicates an interface interconnection of the signaling systems between two network entities.

The current trend in signaling in the wireline environment is a rapid migration away from in-band signaling to out-of-band signaling. This migration has resulted in the consolidation of signaling onto single-purpose dedicated data links. Thus, there is a greater potential risk of a signaling problem resulting in major service disruptions with out-of-band signaling than in-band signaling because of the number of call management signals that are concentrated in the data linkages. As a result, the team viewed the signaling channel interface as having the highest potential risk and therefore being the single most critical interconnection point. The responses from industry supported this conclusion.

The reliability of the signaling channel is dependent on:

a) the reliability of its physical channels and network components/applications; and,

b) the signaling network architecture.

The architecture adopted in SS7 networks requires paired deployment for all critical network components and redundancy, as well as 2 or 3-way physical diversity for the signaling links. Such an architecture greatly increases the reliability of SS7 networks. In addition, industry-wide SS7 interoperability testing (as described in Section 5.1.3.2) is routinely conducted to ensure reliability of the signaling protocol design and implementation before these protocols are installed for commercial use. This activity has significantly improved signaling network reliability.

Consideration also must be given to the reliability of the signaling message content. Specifically for SS7/C7 link signaling, the issue of how initial address messages configure the switching equipment should be reviewed and a common agreement reached by interconnecting company engineering design groups. As more interconnection opportunities develop, both domestically and internationally, service providers frequently and accurately follow the standards, only to find differing options within the standards cause end-to-end service incompatibilities. For example, SS7/C7 calls marked "voice" versus "3.1 KHz" are both acceptable but produce service incompatibilities, especially on facsimile calls.

Numerous ANSI standards, Committee T1 publications and Bellcore publications are available on various aspects of signaling. (See Section 11 - References for a listing). The Bellcore Technical Reference employed by many LECs for interconnection to their signaling networks to interexchange carriers' signaling networks is Bellcore GR-000905-CORE (also referred to as TR-905), entitled "Common Channel Signaling Network Interface Specification Supporting Network Interconnection (Message Transfer Part, ISDN User Part)." This document can also be applied to the interconnection of LEC signaling networks.

Recommendation 2. The task group recommends that changes in network-to-network signaling standards and requirements (e.g., standards, fora, TR-905, etc.) be reviewed by the Network Operations Forum (NOF) and considered a) for inclusion in appropriate testing procedures, and b) development of additional operational guidelines.

5.1.2.3 *USER INFORMATION CHANNEL*

The user information channel refers to the bearer or payload channel in a telecommunications network and the interconnection point between network entities. The user information channel is most visible to the end user since it is this channel that an end user's application, be it an ordinary voice call or a data transaction, is carried. The reliability of this channel is dependent upon the reliability of the physical channel described earlier and the specific application being utilized by the end user. The end user applications are, in turn, dependent upon the end user's hardware, software and other operative processes that are not part of the telecommunications network infrastructure.

Based upon the definition of "critical," the team did not feel the information channel would be a critical interface for interconnected networks. While a problem associated in this channel would affect end users and be important to them, there was little likelihood that such a problem would be spread into other interconnected networks and affect *other* users. The responses from industry tended to confirm this conclusion.

5.1.2.4 *OAM&P CHANNEL*

OAM&P is an acronym that stands for Operations, Administration, Maintenance and Provisioning. The OAM&P channel refers to the facility utilized by interconnected networks for the exchange of information regarding the management/control of interconnected networks. The reliability of the OAM&P channel is dependent on the reliability of the physical channel and the network systems applications utilizing the physical channel.

Several technical standards exist addressing OAM&P issues. For instance, ANSI OAM&P standard T1.115 addresses issues concerning diagnostics and management of the SS7 network; the Simple Network Management Protocol (SNMP) standard and Telecommunications Management Network (TMN) standard facilitate standardized implementation and information exchanges of telecommunications network management systems.

The team did not feel the OAM&P channel interface was a critical interface and the survey results agreed with this approach. However, this does not mean that this interface is unimportant. To the contrary, the importance of this interface will increase as the interactions between interconnected networks become more complex and require real time coordination.

The NOF has the responsibility for addressing various OAM&P issues. In February, 1994, the NOF reissued its Reference Document, NOF Reference Document Issue 11. The document provides industry guidelines for administrative and operational procedures involving exchange access and telecommunications network interconnection. These guidelines were developed as a minimum set of procedures to be followed by personnel in the installation and maintenance of access service. These guidelines can be used as a foundation for more specific, local procedures provided by individual companies. In addition, the NOF is currently looking at OAM&P issues involved with the interconnection between LECs operating in the same or different franchise areas. This issue has been identified as Issue 229. The resolution of this issue will address the Interconnection Testing requirements and the Installation and Maintenance guidelines for Competitive LECs that ensure an equal playing field for all interconnecting companies. Progress on this issue should be monitored for its impact on future interconnections.

5.1.2.5 *SYNCHRONIZATION AND TIMING*

In response to the questionnaire sent to industry, some companies identified network timing and synchronization as a key interface. The need for synchronization is the result of digital switching and transmission systems directly interconnected by digital facilities requiring the use of some means of synchronizing clock signals. The term synchronization refers to an arrangement for operating digital switching and transmission systems at a common (or synchronized) clock rate with proper phase alignment at the bit and byte level between the transmitter and receiver. Improperly synchronized clock rates and/or phase misalignment will cause portions of the bit streams to be lost in transmission.

Numerous documents exist regarding network synchronization. (For example, see ANSI T1.101 Digital Network Synchronization Standard and Bellcore SR-TSV-002275, entitled "BOC Notes on the LEC Networks.") Entities wishing to interconnect with the wireline network should become familiar with these industry documents. As a start, these entities should appoint a Synchronization Coordinator to assist their company in becoming familiar with this discipline (SR-TSV-002275 outlines the responsibilities for such a coordinator.) In addition, these entities should also provide the coordinator's name to the ICCF for its Synchronization Directory. This will facilitate industry coordination for planning, designing, installing, testing and administering the synchronization network.

Recommendation 3. Companies should appoint a Synchronization Coordinator who will perform the responsibilities contained in SR-TSV-002275. Companies should provide the name of their Synchronization Coordinator to the ICCF for inclusion in its Synchronization Directory.

Recommendation 4. Companies should comply with the synchronization standards addressed in ANSI Standard T1.101, entitled "Digital Network Synchronization."

5.1.2.6 *GENERIC INTERCONNECTED PSTN NETWORK*

The above sections examined interconnection from a company perspective and then from those elements common to specific interconnection points. The next level of examination employed by the team involved a look at how these common elements are actually utilized in the interconnected PSTN network.

Section 12 Figure 1, entitled "Generic Interconnected PSTN Network" diagrams a signaling network interconnection and information channel interconnection. The signaling network interconnection is based on ANSI SS7 Standards T1.110 through T1.116. Bellcore TR246 also describes signaling requirements. The database requirements are given in Bellcore TR1149 and TR954. The information channel diagram describes five basic interfaces utilized in the interconnected PSTN network. These interface type groupings depicted in Section 12 Figure 1 are:

a) An End Office* type connection to an IC

b) An Access Tandem type connection to an IC

c) A PBX type connection to an End Office*

d) A Mobile Switching Center Type connection to an Access Tandem

e) A Base Station Controller (associated with PCS) to an End Office*

*Note that an end office may belong to a LEC or to a CLEC, CAP, or a cable provider.

Items a) and b) are currently in use today for the interconnection of LECs and ICs. The primary signaling system documents that detail the protocols to facilitate these interconnections are Bellcore TR-905 and ANSI Standards T1.110 through T1.116. The primary documents that detail the physical layer network interconnection are ANSI

Standards T1.101, T1.102, T1.105 and T1.107. In the future, although different entities will be involved in these interconnections, e.g., CAPS, CLECs, satellite providers and cable TV providers, these same interfaces, plus others, will be utilized for the interconnection. Likewise, the same standards and interface specifications can be used to facilitate the protocols for information transfer.

Item c) is currently in use today for the interconnection of a cellular carrier to a LEC. (In this context, it is referred to as a Type 1 interface.) The primary document that details the protocols to facilitate this interconnection is Bellcore TR-NPL-000145, entitled "Compatibility Information for Interconnection of a Cellular Service Provider and Local Exchange Carrier Network." In the future, this document and other industry specifications can be used by any entity where a PBX to end office protocol is required.

Item d) is also in use today for the interconnection of a cellular carrier to a LEC. (In this context, it is referred to as a Type 2 interface.) The primary documents that detail the protocols to facilitate this interconnection are TIA/EIA Interim Standard-93 ("IS-93"), entitled "Cellular Radio Telecommunication Ai-Di Interfaces Standard" and Bellcore TR-145. In the future, these documents and other specifications can be used for the interconnection of a wireless network to any other network employing a local switching function.

Item e) is viewed as employing protocols for signaling interconnection between the BSC and a connecting message switch. It has not been implemented in today's networks.

It is impossible to predict all the possible interconnections that will be available in the future. However, it is highly probable that the vast majority of interconnections to be accomplished in the next three to five years can be accommodated by the interfaces described within this section. In addition, there are existing documents that describe the protocols to facilitate these interconnections.

5.1.3 *AREAS OF CONCERN*

5.1.3.1 *NETWORK INTERFACE*

Respondents to the industry survey indicated they utilize multiple sources to develop requirements for reliability and performance. (See Figure 4-1 - Standards Bodies Participation, for a breakdown of the standards bodies that are utilized. Further, see Figure 4-7 - Requirements for Reliability & Performance, for a listing of the primary information sources used by the respondents.) The primary sources that were identified include:

- NOF/IITP procedures
- Bellcore TRs/GRs
- Committee T1 standards and reports
- Company-specific documents
- Bilateral agreements

The respondents determined the responsibility for development of standards should be shared by the standards bodies, industry fora, service providers and equipment manufacturers with little role for either the FCC or State Utility Commissions. This same pattern should be continued with respect to the planning for reliability standards. This view changed with respect to the responsibility for ensuring reliability standards. In this case, industry felt the primary responsibility was with service providers and equipment manufacturers. The FCC, Industry Fora, Standards Bodies and State Utility Commissions had a supportive role, but significantly less than that of the service providers and equipment manufacturers.

The team believed bilateral agreements were critical for ensuring reliable interconnections. This hypothesis was validated by the industry response. First, bilateral agreements were ranked high as a source for reliability and performance specifications. Second, the respondents indicated that all of the following need to be specified in a

bilateral agreement: (See Figure 4-4 - Bilateral Agreement Specifications, for a ranking of the specifications used in bilateral agreements.)

- Provisioning information and guidelines
- Protocol implementation agreements
- Diversity requirements
- Installation and maintenance guidelines
- Security requirements
- Performance standards / service level agreements

Because of the importance of bilateral agreements, a template for potential use by interconnecting parties is included as Section 5.6 in this report.

One conclusion drawn from the analysis of the data is that carriers use a multitude of data sources for the development of their performance and operating standards. Thus, new entrants into the telecommunications industry who plan to interconnect to existing networks should participate in a wide variety of organizations to influence the development of standards. This is significant since the respondents have indicated that the existing standards process should continue to play a prominent role when establishing a new interconnection interface. Therefore, any future network interconnection interface standards (e.g., TR-905) should be developed by standards bodies and industry fora organizations.

Another interesting observation concerns the future role of Bellcore. The data indicates a high reliance by the industry on Bellcore TRs/GRs. Since the RBOCs announced their intention to sell Bellcore, the task group noted concern regarding the future of generic requirements. Bellcore responded that it plans to continue developing generic requirements, although its future business model has not been finalized. Bellcore noted the model under development takes into account the potential for a change in its ownership. The industry should continue to monitor the entire standards process to assure it continues to meet network reliability needs. The Standards process is discussed in Section 6.

Recommendation 5. Companies should monitor and if applicable, consider active participation in standards development organizations and industry fora.

Recommendation 6. Bilateral agreements should be established between interconnecting network providers in accordance with the bilateral agreement template contained in Section 5.6.

Recommendation 7. Any future network interconnection interface should be developed by standards bodies and industry fora to ensure design compatibility and interoperability.

5.1.3.2 *SERVICE ASSURANCE/INTEROPERABILITY*

Interoperability testing is a mechanism for all service providers and manufacturers to jointly develop, approve and execute test scenarios in an off-line environment that will enhance the reliability, stability and survivability of the interconnected networks.

The only industry-wide interoperability testing that occurs today is the IITP, which is concerned with interconnected SS7 based networks. Interoperability testing plans are administered by the NOF IITP Committee. The IITP guidelines and participant responsibilities are contained in the IITP Reference Document.

Interoperability testing provides the capability to ensure interconnecting networks are compatible at implementation and remain compatible for the duration of the interconnection arrangement.

The team recognized the importance of interoperability testing to the overall reliability for interconnected networks. This view was shared by industry, where the vast majority of respondents indicated they or their vendor actually had participated in IITP testing. In addition, a majority of wireline respondents indicated they had participated in IITP testing along with their vendors. Thus, IITP serves as an excellent model for an interoperability testing scheme that should be adopted for future interconnections. Some of the key elements associated with IITP are given below. It is important to note that interoperability testing does not provide an absolute guarantee that network problems associated with interconnection will be eliminated. Such a guarantee is impossible since it is impractical to test every possible situation that could occur in a real installation. Testing provides an important role in ensuring reliability, but it must be coupled with a total commitment to quality in all phases of the design and installation of the interconnected networks. Thus, quality processes must be utilized in the development of the equipment to be used in the interconnection, as well as in the development of standards and specifications (Section 6 - for additional information on the Standards Development and Compliance Process) and the actual interconnection of the networks. Thus, interoperability testing must be viewed as an important component for ensuring reliability but not as a substitute for any of the quality processes leading up to the interconnection. (See Section 7 for a discussion of a future direction for interoperability testing.)

With respect to IITP, carriers being interconnected will test to prove that compatibility and interoperability exist. In addition, many wireline carriers have a policy of testing all interconnecting networks prior to service turn-up. These carriers have developed testing suites to satisfy network integrity, compatibility and network interoperability concerns. These are applied as required. ANSI, NOF and interconnected company standards are used as the basis for testing and analysis.

An example of a testing suite for SS7 that is utilized by a wireline carrier is given in Section 12, Exhibit 8. Typically, these testing suites, along with any company specific requirements, are included in bilateral agreements between the interconnecting carriers.

In addition to nationally-coordinated industry-wide interoperability testing, respondents have indicated that they participate in various forms of bilateral testing before interconnecting.

Recommendation 8. Interoperability testing of all new/changed network interfaces having potential national PSTN reliability impacts should be performed via the IITP process to ensure continued network reliability.

5.1.3.3 *FAULT ISOLATION*

Fault isolation refers to the process that locates the source of trouble so corrective action may be taken. For interconnected networks, this process involves diagnostics isolating the service problem.

The primary method identified by industry respondents was the use of Network Control Centers that monitor the network on a 7 day a week, 24 hour, 365 day a year basis. These Centers utilize operational support systems and processes to monitor their own networks up to the network boundary between their network and any other interconnected network. The systems monitor traffic flows for any unusual patterns. In addition, the processes provide surveillance of critical network elements, such as signaling, switching and transport.

Recommendation 9. Bilateral agreements between interconnecting networks should address the issue of fault isolation. At a minimum, these agreements should address the escalation procedures to be used when a problem occurs in one network. Second, the agreement should address which company will be in charge for initiating various diagnostic procedures. Finally, the agreement should address what information will be shared between the interconnected companies.

5.1.3.4 *FAULT MIGRATION MITIGATION*

Fault migration refers to the situation where a fault originating in one system spreads across a network interconnection boundary to cause further service impairment in another system.

To prevent or mitigate such migrations, industry respondents reported on the use of several techniques. One of the techniques indicated was the use of existing standards, especially SS7 standards. Presentations made to the team by subject matter experts revealed the SS7 standards define effective "firewalls" to prevent fault migration in the signaling network. Since the signaling channel was viewed as a critical interconnection point, the adherence to the SS7 standards is a critical piece in a fault migration mitigation strategy. Also related to SS7 was the use of "gateway screening." This technique involves examining the format of certain SS7 messages and addresses for conformance to a specified format before they are allowed to enter into an interconnected network. This technique prevents misdirected messages from causing problems in the interconnected signaling network.

Another technique identified by the respondents involved real time network surveillance. Network control centers monitor network traffic and look for any abnormalities, especially at the network boundaries. Problems detected are immediately addressed utilizing network management controls.

A third technique involves a follow-up analysis that correlates troubles across network elements and/or elements to determine root causes of problems.

In short, wireline carriers use a three-pronged approach to mitigate fault migration that includes:

- Prevention (adherence to standards, use of firewalls)
- Detection (real time network surveillance)
- Correction (use of root cause analysis).

To gauge the actual use of prevention techniques, industry was asked to report on their use of "firewalls." Only 5 percent of the total respondents indicated they did not use any "firewalls." Thus, an overwhelming majority of the industry is currently using some type of prevention technique as indicated in Section 4, Chart 18 - Firewalls/Safeguards.

Recommendation 10. The SS7 current "firewall" techniques should continue to be used to ensure network messaging integrity. For the future, these techniques should be used as a benchmark for "firewalls" that can be used for new technology introductions.

5.1.3.5 *ENGINEERING CAPACITY PROVISIONING*

Wireline providers have had extensive experience in dealing with the challenges of having sufficient network capacity to handle traffic from interconnected networks because of the experiences gained from the interconnection of the Local Exchange Carrier and Interexchange Carriers' networks.

In response to the industry survey, wireline carriers indicate they use two basic elements to address capacity concerns resulting from interconnected networks. The first element involves preplanning. The parties to be interconnected provide estimates of their projected traffic for an upcoming period and the necessary facilities are provisioned. The second element involves network traffic management, surveillance and monitoring. Wireline carriers use network control centers to monitor their networks on a 7 day a week, 24 hour a day basis using trained personnel and expert systems. These centers employ call flow controls, such as, choke or call gapping, for general problems such as outages. For mass calling events, joint agreements for capacity control measures are utilized. In addition, if a problem is occurring in one network that can impact an interconnected network, the network control centers of the affected networks will be in contact regarding the nature of the problem and steps to be taken to mitigate the problem.

Certain network elements (switches, databases) are equipped with capabilities to automatically detect and control abnormally high volumes of traffic. One example of this would be for 800 call control where the 800 number database can recognize a focused overload from a switch and evoke call gapping controls to decrease the traffic volume. This prevents an overload of the database system and aids in protecting other elements of the network.

Recommendation 11. To control overflow traffic conditions from adversely affecting interconnected networks, interconnected network providers should utilize network surveillance and monitoring. In addition, companies should follow the guidelines for advanced notification of media-stimulated call-in events as outlined in Section VI of the NOF Reference Document concerning Media Stimulated Call-in Events. Further, interconnecting companies should include a contact name for inclusion in the Media Stimulated Call-in Event Contact Directory. Finally, interconnecting companies should address the control of overflow call attempt and signaling message conditions in their bilateral agreements.

5.1.3.6 *INFORMATION SHARING*

Information sharing enables all service providers and vendors/manufacturers to utilize non-competitive information uncovered by other service providers and/or vendors/manufacturers through the testing, validation/application of software, hardware, documentation and conformance to agreed-upon standards in order to:

- Minimize the possibility of major outages and service interruptions that can affect our collective customer's service
- Maintain and improve the reliability, capacity and performance of our interconnected networks
- Meet or exceed the expectations of our "customers"

Respondents to the industry survey indicated industry forums are widely used for sharing information. This is especially true when problems have industry-wide application. The primary forum for this purpose is the NOF. The NOF has developed a Reference Document (See Section 11) that addresses information sharing. In addition, when issues are brought to the NOF for resolution, the results are shared with the industry. Finally, generic results from IITP testing are shared with the industry. When issues are uncovered that are not industry-wide concerns, the affected parties work on these issues on a one-to-one basis, usually as the result of a bilateral agreement and sometimes pursuant to a nondisclosure agreement.

Recommendation 12. Information sharing should be utilized by all network providers to minimize recurrence of service disruptions. The guidelines contained in the NOF Reference Document can be used for this purpose. Additional requirements for the timely sharing of information between interconnected companies should be addressed in bilateral agreements.

5.1.3.7 *MUTUAL AID*

One of the outage mitigation techniques utilized by the telecommunications industry is to develop mutual aid arrangements with other network entities. These arrangements may be for resource-lending and/or network-sharing. They may be formal agreements or informal arrangements. The first NRC studied this topic and in "Network Reliability: A Report to the Nation" found there is extensive inter-carrier and carrier-vendor cooperation and coordination prior to and during emergencies/disasters threatening or impairing telecommunications networks.

The team surveyed the industry use of mutual aid arrangements. The results showed widespread use of mutual aid arrangements throughout the industry as indicated in Section 4, Chart 19a - Disaster Recovery Plans (Influenced by NRC I recommendations). However, the predominant users of these arrangements were the wireline providers. This is probably attributable to the relative maturity of the wireline industry and the long standing relationships between and among the LECs and long distance carriers. As more and more entrants interconnect with the wireline network and serve significant numbers of customers, it will be necessary for these new entrants to consider the development of mutual aid arrangements. Of immediate importance should be consideration of agreements that involve National Security Emergency Preparedness (NS/EP). In addition, new entrants should, at a minimum, have a communications structure in place to be used for timely notification of affected parties in the event of disasters or emergencies. The minimum requirements for such an emergency communications structure are:

- Carriers' Network Management/Operation Centers knowing who and how to contact one another and having pre-determined procedures for doing so

- These contact lists must be updated and published regularly

Further, a carrier experiencing a significant telecommunications service outage must be prepared to contact all relevant Network Management/Control Centers quickly to facilitate the evaluation of restoration alternatives. To enhance inter-company communications, the NOF maintains a Mutual Aid Contact Directory. New entrants should provide a contact name for this directory. The NOF has also established procedures for emergency communications to facilitate Control Center communications in the event of a catastrophic outage. New entrants should consider becoming a part of this network.

Recommendation 13. New entrants should, at a minimum, have a communications structure in place for timely notification of affected parties in the event of disasters or emergencies.

Recommendation 14. Companies should appoint and provide the name of a Mutual Aid Coordinator to the NOF for inclusion in the Mutual Aid Contact Directory which is published on a bi-annual basis.

5.2 CELLULAR "WIRELESS" INTERCONNECTIONS

Cellular is considered to part of the broader term "wireless" and currently is an extensively deployed "wireless" technology. Wireless also refers to paging services, both one-way and two-way, a variety of Specialized Mobile Radio services, and the emerging Personal Communoications Services. The bulk of the industry survey responses pertaining to wireless came from companies engaged in cellular and PCS business. Hence, the findings reflect that response. To the extent that other wireless services exhibit the same type of network interconnections as cellular and PCS, the broader use of the term "wireless" is intended to apply.

Current wireless "cellular" services are typically provided by two carriers serving an area - an "A-side" carrier and a "B-side" carrier-based radio frequency spectrum allocation. Resellers utilize the access services provided by these two carriers to further increase the distribution of services to the marketplace. This picture is changing, however, with the entrance of Specialized Mobile Radio (SMR) carriers and new Personal Communications Services (PCS) carriers, licensed to serve in a new area of frequency spectrum (~1.8 GHz).

A number of technology and regulatory initiatives are creating a significant impact on the future structure and interoperability of wireless networks. This NRC Task Group examined the potential future impacts on network reliability, integrity and standards requirements arising from these changes. Noteworthy regulatory proceedings include the following:

- FCC Notice of Proposed Rule Making (NPRM) regarding "Interconnection and Resale Obligations Pertaining to Commercial Mobile Radio Services" (CC Docket No. 94-54)

- InterLATA Wireless Waiver Order signed by Judge Greene, lifting some of the restrictions regarding the routing of traffic across LATA boundaries for RBOC-owned wireless subsidiaries

- Pending telecommunications legislation, updating the 1934 Communications Act and further opening-up the telecommunications infrastructures to foster competition and innovation.

The scope of this wireless section includes the voice technologies listed below, which generally employ SS7 and such signaling protocols as IS 41 Mobile Application Part (MAP) and GSM MAP as the signaling infrastructure.

- Cellular (AMPS, NAMPS, TDMA, CDMA)
- "PCS" upbanded TDMA and CDMA

- Global System Mobile (GSM)
- Specialized Mobile Radio (SMR)

A work activity has been identified in TIA Standards TR46 to develop interworking between dissimilar MAPs. All such inter-system signaling interfaces will be important to monitor to ensure the continued reliability of interconnected networks.

5.2.1 *DESCRIPTION AND DIAGRAM*

This section provides a high level description of cellular systems (refer to Section 12 Figure 1 and Figure 1 below). For further detail, the reader is referred to TIA - TR45 Network Reference Model (Section 12 Figure 2) and TR46 PCS Network Reference Model for 1800 MHz (Section 12 Figure 3).

Typical Cellular Implementation

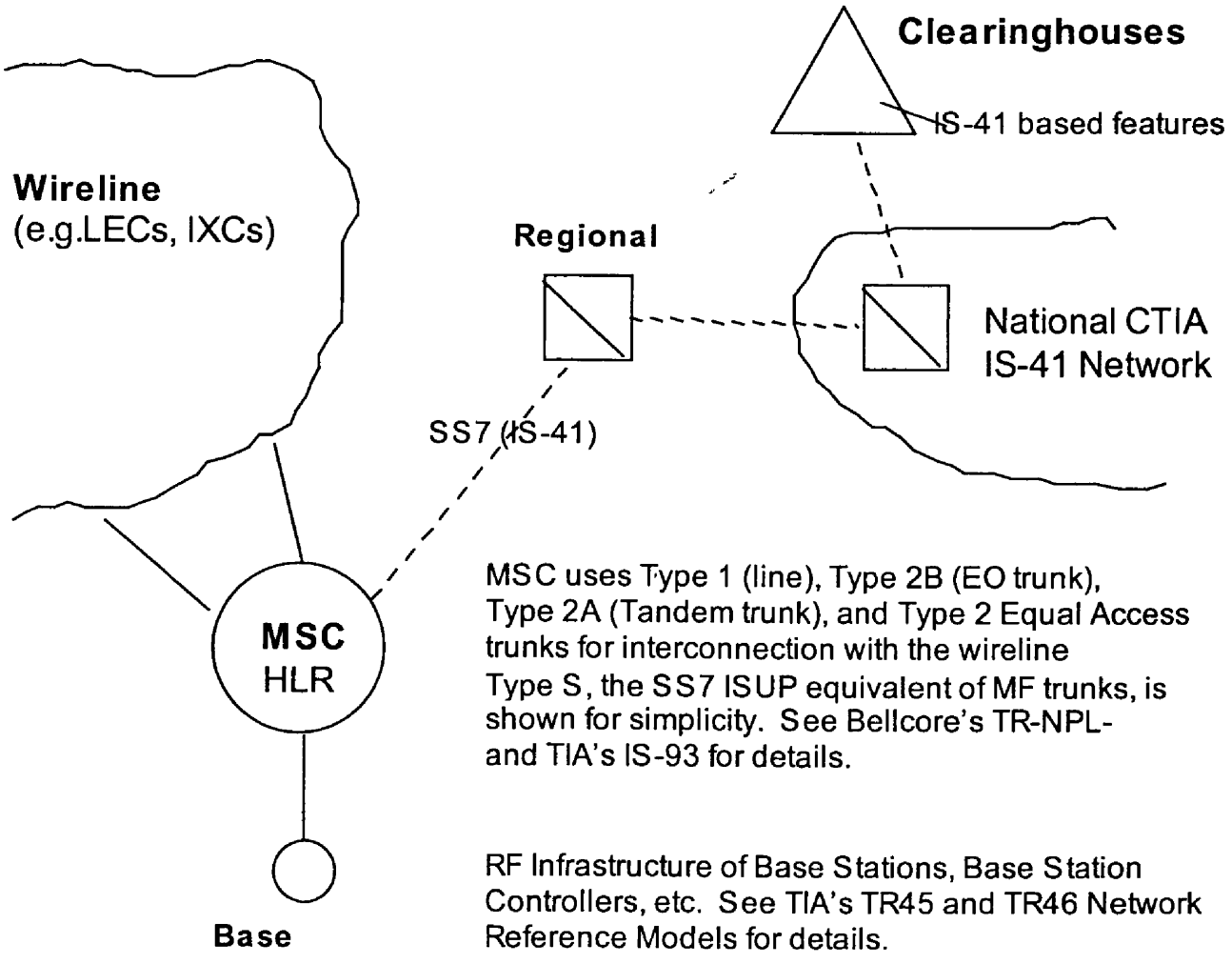


FIGURE 1

A Base Station, or Radio System per TR46 Network Reference Model in Figure 3, provides radio frequency management and other functions for cellular systems and provides radio network access to the Mobile Switching Center (MSC).

The MSC is a switching system that is connected to one of several types of interfaces: (1) a landline End Office (EO) through a line (Type 1) or trunk (Type 2B) interface, (2) a landline Access Tandem (AT) through a trunk (Type 2A or Equal Access) interface or (3) an Interexchange Carrier (IXC) through a trunk interface. These connections provide access to the wireline and other wireless networks.

The MSC may also be connected to Signaling Transfer Points (STPs), in a mated-pair configuration, for connectivity to wireline and other wireless switches for call set-up signaling. The MSC may use these same signaling links, or a separate set of signaling links, for IS-41 MAP signaling for autonomous registration, call delivery and related wireless services. These signaling links also provide connectivity between the MSC and wireless network Service Control Point databases or wireline network SCP databases.

5.2.2 *CRITICAL INTERCONNECTION POINTS*

From the NRC Survey, network interconnections between cellular carriers and between cellular and wireline carriers are deemed critical and physical and signaling interfaces are both of about equal risk when considering their criticality.

Interfaces between cellular and wireline carriers are covered in Section 5.1.2.6. This section primarily addresses signaling interfaces between wireless networks that are unique to cellular , e.g., IS-41 inter system signaling. These interfaces are not explicitly shown on the network diagrams, Section 12 Figure 1.

5.2.2.1 *PHYSICAL CHANNEL*

The physical channel is used to carry the Information Channel, Signaling Channel and OAM&P Channel described above. It is the point where two telecommunications systems/facilities interconnect. Usually, it is described by the medium (e.g., copper, fiber and microwave) and capacity (e.g., DS0, DS1, DS3, T1, T3, OC12 and the like). This study does not specifically address the reliability of physical channels; rather, the use of physical channels as an integral component in carrying user information, signaling, or OAM&P information discussed below.

5.2.2.2 *SIGNALING CHANNEL*

The reliability of the signaling channel is dependent on the reliability of the physical channel[1] (see Section 5.2.2.4) and the network component applications utilizing the physical channel. Scope includes Signaling System #7 (SS7) network interconnection for both call setup (ISDN User Part, or ISUP) and services (Mobile Application Part, or MAP).

- ISUP For the first decade of wireless service, cellular networks were generally interconnected using inband MF signaling. Signaling was therefore highly distributed in the sense that a single point of signaling failure could not cause a major disruption of service. The trend in call setup signaling, however, is toward utilizing out-of-band Signaling System #7 with ISUP signaling messages, which represents a consolidation of signaling onto data links and an increase in vulnerability to major service disruptions.

- MAP For the first decade of cellular service, suppliers generally provided mobility control and features within the Mobile Switching Center. Networking for call control (e.g., pre-call validation and call delivery) was provided by means of direct data links between networks and "clearinghouses." A major transition is currently taking place within the industry to utilize SS7 with IS-41 inter system messaging, which represents a consolidation of signaling onto data links and an increase in vulnerability to major service disruptions. With the

[1] The SS7 link, while used in support of cellular access services, is itself a wireline facility. SS7 links are deployed in pairs from the MSC for reliability in the event one link should experience an outage. Consequently, each link of an SS7 link-pair should typically be deployed in diversely routed paths, including entrance facilities.

advent of a Cellular Intelligent Network, there will be an even greater dependence on SS7 to carry information between two network components and between networks. It is envisioned that cellular subscribers will receive a wide variety of "seamless" services both in their home networks and in roaming networks.

Other summary points regarding IS-41 are as follows:

- IS-41 has been developed from specific needs of the wireless "cellular" industry
- Early applications focused on inter system hand-off and fraud control
- Currently, customer feature capabilities are being developed
- It appears that SS7 will be the primary means by which cellular operators distribute IS-41 messages both internally and externally

Interface Specifications:

- "Compatibility Information for Interconnection of a Wireless Services Provider and a Local Exchange Carrier Network" TR-NPL-000145 Issue 2, December, 1993 (edited and published by Bellcore through the combined efforts of the Wireless Interconnection Forum)

- "Cellular Radio Telecommunications Ai-Di Interfaces Standard" TIA/EIA Interim Standard-93 ("IS-93") December 1993

  TIA TR 45.2 is responsible for keeping IS-93 updated

- "Cellular Features Description" EIA/TIA IS-53 Revision A, May, 1995

- "Cellular Radio-Telecommunications Inter system Operations" EIA/TIA/IS-41 Rev. A (also, Rev. B December 1991 and PN-2991, which was approved November 17, 1995, for publication as IS-41 Rev. C).

5.2.2.3 *USER INFORMATION CHANNEL*

The reliability of the information channel is dependent on the reliability of the physical channel (see above) and end user application utilizing the physical channel. While this is important to the user, it was not considered critical by survey respondents. In reality, the end user application is a function of the end users' hardware, software and other operative processes, not telecommunications infrastructure. Further, while it may affect other networks in terms of loss, noise and delay, it is not envisioned that problems on information channels would affect interconnected networks as defined within the scope of "critical interconnection."

5.2.2.4 *OAM&P CHANNEL*

The reliability of the OAM&P channel is dependent on the reliability of the physical channel (see above) and network system applications utilizing the physical channel. Survey respondents did not identify the OAM&P channel as critical. Nevertheless, it is important that the cellular carriers work together with other types of carriers to develop "as seamless as possible" access to the PSTN. The significant differences in the air interfaces (e.g., analog or digital; - frequency, time, or code division multiple access; 800 MHz or 1.9 GHz) make it increasingly important that carriers cooperate in exchanging information via OAM&P channels. Following are additional items for consideration:

- Electronic bonding
- O-interface standard TIA TR 45.2 that would enable a centralized OAM&P platform

5.2.2.5 *SYNCHRONIZATION AND TIMING*

In response to the questionnaire sent out to industry, some companies identified network timing and synchronization as a key interface. The need for synchronization is the result of the fact that digital switching and transmission systems directly interconnected by digital facilities require some means of synchronizing clock rates. The term

synchronization refers to an arrangement for operating digital switching and transmission systems at a common (or synchronized) clock rate with proper phase alignment at the bit and byte level between the transmitter and receiver. Improperly synchronized clock rates and/or phase misalignment can cause portions of the bit streams to be lost in transmission.

One source of information on architecture and requirements for synchronization is described in Section 11 of "BOC Notes on the LEC Network" SR-TSV-002275 Issue 2, April 1994.

Recommendation 1. Companies should appoint a Synchronization Coordinator for their company who will perform the responsibilities contained in SR-TSV-002275. Companies should provide the name of their Synchronization Coordinator to the ICCF for inclusion in its Synchronization Directory.

Recommendation 2. Companies should comply with the synchronization standards addressed in ANSI Standard T1.101, entitled "Digital Network Synchronization."

5.2.3 *AREAS OF CONCERN*

5.2.3.1 *NETWORK INTERFACE STANDARDS*

Survey results indicate that wireless carriers primarily use the following requirements or specifications for reliability and performance before interconnecting with other networks:

- Company-specific requirements
- Bilateral agreements
- TIA standards (see Section 7.1)
- Bellcore TRs

Of eleven (11) cellular company responses to the survey, the following were considered important to establishing processes for ensuring reliability and interoperability:

- Intra-company testing (11)
- Inter-company testing (11)
- Conformance testing (11)
- Standards & specifications (9)
- Load simulations (2)
- Stress to failure testing (2)

Examples cited in the NRC Survey by which carriers may monitor interconnections once in service include the following:

- Service monitoring (alarms) 24x7x52
- Maintenance routines
- Automated testing processes
- Traffic statistics

Network Operations Forum Reference Document Section III "Installation & Maintenance Responsibilities, SS7 Link and Trunk Installation & Maintenance Access Services" provides operational guidelines for interconnected SS7 networks.

Networks wishing to exchange signaling messages should develop interoperability agreements and undergo testing. For example, the CTIA "Seamless Roaming Implementation Guide (SRIG)" January, 1995 provides operational guidelines for exchange of IS-41 messages between cellular networks. Recommendation 3. below, addresses emerging PCS carriers.

Recommendation 3. Industry standards should be the foundation for any network interconnections. Any carrier wishing to interconnect with another carrier should mutually agree upon industry specifications. See Section 5.6 for the recommended interface specification template.

Recommendation 4. Wireless carriers should participate in, or be represented in, the standards process so that needs will be met in a timely and effective manner. Areas of particular interest to oversee include:

- *Prioritize standards work efforts*
- *Ensure standards address reliability and performance concerns*
- *Increase velocity of standards development to meet service providers' needs*
- *Improve processes to ensure overall quality within and between standards bodies*

Recommendation 5. Within the wireless "cellular" industry, many interconnection standards and processes are already in place. They should be adapted or extended, as appropriate, to accommodate the needs of new PCS carriers.

5.2.3.2 *SERVICE ASSURANCE/INTEROPERABILITY*

New and/or existing testing practices between carriers (see Section 7 for a discussion of a future direction for interoperability testing):

- ISUP Interoperability Testing The Network Operations Forum and the Wireless Interconnection Forum (NOF/WIF) finalized work on developing test scripts for interconnection between wireless and wireline carriers, namely
  - Message Transfer Part (MTP) Compatibility Tests
  - ISDN Signaling User Part (ISUP) Compatibility Tests

  These test scripts are published as Attachment A and B to Section III of the NOF Reference Document.

- IITP Testing. IITP provides network management, failure and congestion scenarios. It utilizes lab switches configured as an interconnected national testbed and tests routing functions, not features. The IITP Committee of the NOF develops and approves test scripts and configurations. Participation in the IITP Committee is open to all interested parties. The NOF IITP Reference Document describes the functions and roles for participation in IITP testing.

- MAP Interoperability Testing. The CTIA Advisory Group for Network Issues (AGNI) managed the testing of IS-41 Rev A between cellular carriers with dissimilar network infrastructure equipment and published a matrix for the benefit of the industry. AGNI then sponsored an Interoperability Ad Hoc Group of cellular carriers and vendors in 1995 to develop a detailed test plan for IS-41 Rev. B network interoperability. Actual testing will then be conducted based on the test plan to ensure network interoperability. This work is similar to IITP and could be extended to future releases of the IS-41 inter system messaging standard.

- System Testing. This is normally conducted by the carrier and/or vendor supplying network products. Typically, it is used in connection with first applications, acceptance testing and feature testing.

CTIA has developed a set of guidelines to assist cellular carriers in joining the nationally interconnected SS7 network for exchange of IS-41 messages. The following test procedures are taken from the "Seamless Roaming Implementation Guide (SRIG)" dated January, 1995:

- These are a standard set of acceptance tests prescribed for SS7 links. They should be executed by the SS7 Network Provider to ensure that all the facilities are ready to be placed in an operational status. Most Network Providers have automated these tests and will run them on their own schedules. If any problems are discovered during the testing, the Cellular Carrier and the SS7 Network Provider will correct those problems up to the Meet Point.

- The first test ensures that the physical facilities can support the end-to-end reliability required. These are measuring the quality of the facilities in terms of errors per time period. The cellular switch is not involved in this test, since the test signals are automatically returned (the facilities are placed in a "loop back" mode).

- The second and third tests involve the switch. The second test checks the compatibility of switch generic software against the software of the network switches. Failures in this test can usually be quickly corrected by changing software (timer) values in the cellular switch.

- The fourth test involves the interaction with at least one of every type of cellular switch active on the network before initial implementation. It ensures that unusual conditions in either the network or the cellular switches will not adversely affect other facilities. Most cellular switch manufacturers have conducted similar tests to certify their software against the standards, so failures at this test level are not common.

- This testing should be possible to complete within 10 business days and will indicate the readiness for live operation. This could also serve as the "Service Ready Date" for network operation.

The Wireless Carrier and the SS7 Network Provider may wish to perform further tests involving other market segments on the signaling network, prior to passing traffic to those segments. These are at the Wireless Carrier's discretion and are usually beyond the scope of network testing. Most switches that use generic software loads have passed such switch-to-switch tests. CTIA publishes a Switch Interoperability Matrix describing the interworking of switch pairs, and it is available upon request.

Recommendation 6. Interoperability testing by equipment suppliers and service providers should be performed prior to service turn up to ensure successful and reliable interconnections. See Section 5.6 - Templates for the recommended set of issues to be addressed in a bilateral agreement governing testing, implementation, operations coordination and related activities. Bilateral agreements governing test and turn up procedures are needed so that existing services are not interrupted when new interconnections are established. Bilateral agreements also help to ensure continuity of operations. Some issues to address in testing include:

- *Product operation and functionality*
- *Interoperability to establish operation across an interface, per standards*
- *Performance under stress and anomalies*

Recommendation 7. Some testing should be accomplished in nationally coordinated efforts so that all carriers and equipment manufacturers benefit without an undue outlay of resources and time. Cellular carriers should participate directly or through representation by an industry association(s). Some of the nationally-coordinated testing currently taking place includes:

- *IITP (SS7 ISUP)*
- *AGNI (IS-41)*

5.2.3.3 *FAULT ISOLATION*

When faults do occur, the source of trouble must be located through testing so that corrective action may be taken. Considerations include:

- Cellular networks are basically access networks, interconnecting to the wireline network for ubiquitous connectivity. These network interconnections are relatively straight-forward and well-defined. Testing must therefore be a cooperative arrangement between the cellular carrier and the wireline carriers.
- Some offices will not be staffed on a 24x7 basis and some will not be staffed at all. Therefore, operational procedures should ensure that Mean Time To Repair (MTTR) is kept to a minimum.
- Analysis tools may be needed to help synthesize and correlate network reports, activities and events as a result of increased network interconnections.

- A multiplicity of signaling protocols and software "versions" impact the complexity of the maintenance function. Continual training and upgrading of test equipment are important to maintaining high performance.

The Signaling Network Systems (SNS) Committee of the first NRC identified similar concerns and problems, which are documented in "Network Reliability: Report to the Nation." The NOF Reference Document also addresses some of these concerns.

Recommendation 8. Inter-company OAM&P processes should continue to be enhanced by the carriers so they can effectively establish and maintain service across a network interface. Key components of this recommendation include:

- *Service Providers' key role (e.g., 24x7x52 surveillance center)*
- *Qualified individual(s) to maintain an SS7 node and an SS7 network, including IS-41 and ISUP as required. (See SNS Best Practices.)*
- *Existing fora and associations' assisting role in developing guidelines and practices or use by interconnecting networks to foster network reliability*
- *Up-to-date Disaster Recovery Plan (ref. NOF Reference Document Section VI Network Management Guidelines and Contact Directory and its Appendix A Emergency SS7 Restoration)*
- *Contact information in the following Contact Directories of the NOF Reference Document Section VI Network Management Guidelines and Contact Directories*
    - *Network Management Contacts*
    - *Catastrophic SS7 Failure/Restoration Contacts*
    - *Media Stimulated Calling Event Contacts*
    - *LIDB Contacts*
    - *Mutual Aid Contacts*

5.2.3.4 *FAULT MIGRATION MITIGATION*

The best protection against fault propagation is to protect against 1) fault migration, 2) intrusion on network control channels, and 3) negative impacts to performance or call processing delay.

Selected narrative responses from the Survey, respectively:
1) Firewalls, load simulation testing, network monitoring, diversification, redundancy
2) Password access, gateway screening, alarm monitoring, secure facilities
3) Overlapping coverage, alternate call routing, alarm monitoring, periodic testing

The possibility that incorrect or corrupted messages (either unintentional or intentional) may affect a transiting or terminating network must be minimized. Example: Two cellular systems are networked via IS-41 Rev. A protocols and direct signaling links. After a database had been changed at System B, causing incorrect MSCID information to be sent, System A took excessive defensive check failures that triggered a system initialization. This resulted in total system outage for System A.

There is also a need to react to media-stimulated call-in events and network spill-over during focused overloads, which effectively look like "faults." When these occur, resolution is required, but steps should also be taken to design networks and procedures to limit such occurrences and the impacts they may have on the network. Advanced notification of these events to interconnecting carriers is very important to effect control and mitigate the impact of these events.

Considerations include:
- Careful system design and software development
- Notification procedures prior to network software changes
- Thorough system testing and interoperability testing
- Gateway or mediation devices
- Automatic call gapping procedures to limit signaling channel overloads

The Signaling Network Systems (SNS) Committee of the first NRC identified similar concerns and problems, which are documented in "Network Reliability: Report to the Nation." The NOF Reference Document also addresses some of these concerns. More specifically:

- Guidelines for advanced notification of media-stimulated call-in events are outlined in Section VI of the NOF Reference Document, which also contains a Media Stimulated Call-in Event Contact Directory. Interconnecting companies should consider including a contact information in this directory.

- Section III contains network security base guidelines and a CCS network logical security checklist.

5.2.3.5 *ENGINEERING CAPACITY PROVISIONING*

Most operators use manufacturer-recommended design specifications initially. After initial design, local company methods based on actual traffic experience are used.

Wireless service demand can be particularly unpredictable due to the mobile nature of end users as well as the rapid growth occurring in the industry. Competitive forces with new wireless carrier entrants will further affect the unpredictability of traffic demand.

5.2.3.6 *INFORMATION SHARING*

Industry forums are now prominently used for sharing information. Specific service agreements are frequently mentioned in the NRC Survey.

The Signaling Network Systems (SNS) Committee of the first NRC identified similar concerns and problems, which are documented in the "Network Reliability: Report to the Nation." The NOF Reference Document also addresses some of these in Section VII entitled *Information Sharing*.

5.2.3.7 *MUTUAL AID*

Wireline operators have a well-defined mutual aid process, as evidenced by survey results that show about 78 percent of carriers have formal mutual aid arrangements. Conversely, of eleven (11) survey respondents from cellular carriers, only two indicated their disaster recovery plans included formal mutual aid arrangements. Three others indicated their plans included informal mutual aid arrangements.

Competitive cellular operators often purchase equipment from different manufacturers, each with its own proprietary (internal) specifications and interfaces. For this reason, mutual aid is difficult. Mutual aid can be aligned within company ownership and between companies with equipment compatibility.

The Signaling Network Systems (SNS) Committee of the first NRC identified similar concerns and problems, which are documented in "Network Reliability: Report to the Nation." The NOF Reference Document also addresses some of these concerns.

5.3 SATELLITE INTERCONNECTIONS

5.3.1 *DESCRIPTION AND DIAGRAM*

Communications satellite services are categorized into three classes: Fixed-Satellite services (FSS), Broadcasting-Satellite services (BSS) and Mobile-Satellite services (MSS). Satellite communications networks, regardless of application, have a common architecture comprised of satellite(s), earth station(s) and a complex array of communications, data handling and processing equipment. FSS and BSS satellites are usually operated in geostationary earth orbits (GEO) designed to provide the maximum earth coverage. Earth station equipment provides Telemetry, Tracking and Commanding (TT&C) functions and communications (User Information Channels) functions for the network. (See Figure 5-2 - FSS/BSS System Interconnections)

A satellite in GEO has visibility to and from an area that can cover up to 40 percent of the earth's surface depending on antenna design; this allows simultaneous broadcast of video, voice and data to any earth station within the satellite's footprint. Earth stations must have line of sight access to a satellite to be able to communicate with it via a radio frequency (RF) link through an earth station antenna.

Domestic satellite operators, FSS providers, offer transponders for lease or sale to private business customers for dedicated video, voice and data networks. These satellite-based services often interface with the public switched telecommunications network (PSTN) through the use of commonly offered wireline services. FSS satellite networks rely on terrestrial connections (wireline, fiber, microwave, etc.) to link their earth stations with users of the network. FSS providers do not provide telephony services to the general public as part of the PSTN.

FSS satellite operators will either provide services themselves, or sell or lease capacity on their satellites to third parties for resale or value-added services. Service providers have capitalized on the unique capabilities of GEO satellites to become the primary means of programming distribution for the domestic and international television industry. Major TV networks and cable TV operators rely almost exclusively on GEO satellites for this service.

A TV network or cable operator can receive and distribute programming via multiple satellites/service providers, depending on economic preferences and technical compatibility needs. Programming or other information to be carried by the satellite is collected from many sources at an earth station for uplink: e.g., down-links from other satellites, terrestrial wireline and fiber and pre-recorded tapes, etc. Interfaces with wireline service providers are usually established through common offerings, such as T1, etc., and are specified by the service provider.

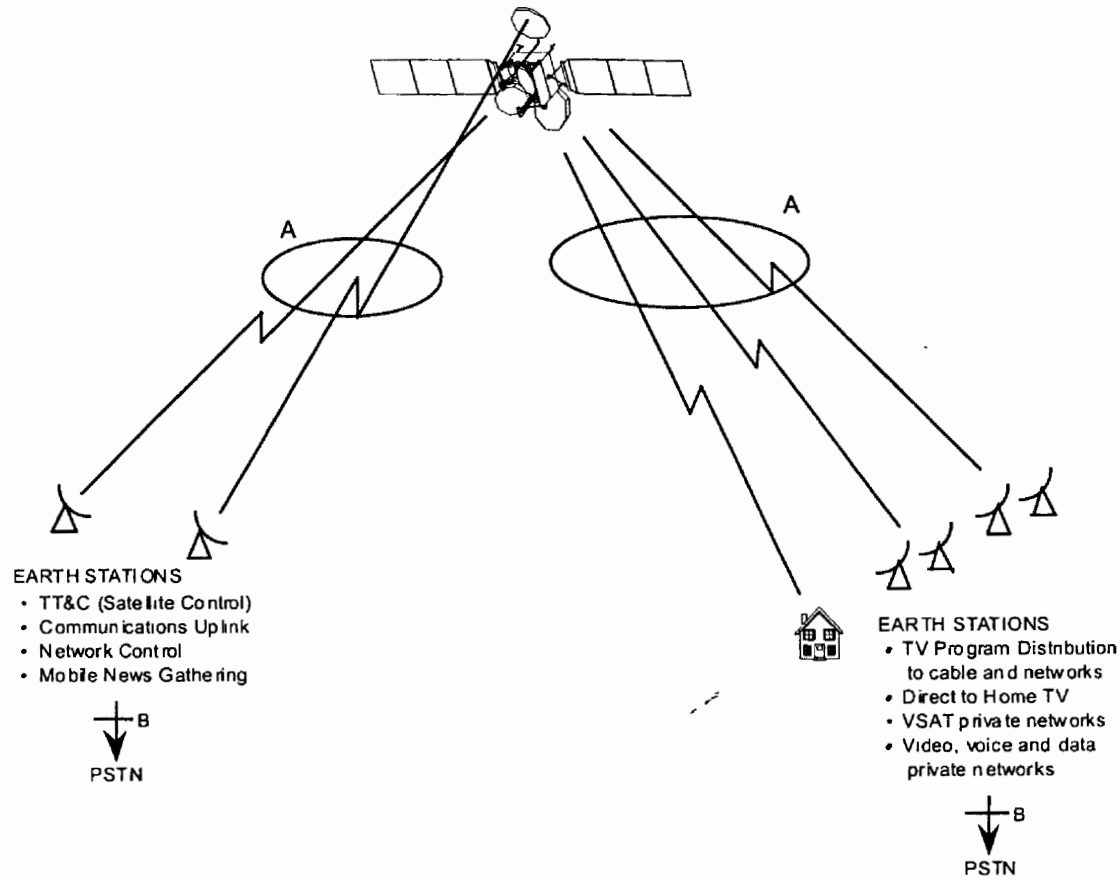
Advances in technology have allowed satellites to operate at higher frequencies and power. These capabilities can be used either to increase data rates and information content of the planned network or to reduce the size of earth station antennas. Direct to home television and dedicated business networks are two new services that have benefited from these advances.

The FCC has designated certain GEO positions and frequency spectrum as BSS and has licensed several direct to home service providers to build and operate high power satellites at these positions. BSS differs from FSS services in that signals transmitted from the satellite are intended for direct reception by the general public. Direct to home television employs a high powered satellite that can be received by a small antenna placed on the subscriber's premises. These systems offer their subscribers the choice of hundreds of program channels.

Very Small Aperture Terminal (VSAT) network is another example of BSS and Businesses have found VSAT networks to be a cost-effective means of establishing a dedicated communications capability. Data on point of sale information for inventory control and credit validation are examples of real time uses. The VSAT terminal is also capable of receiving video, which allows a corporate headquarters to broadcast new product information and pass on other vital information to all its branches simultaneously. The system provides a voice link among all the nodes as well. Video, voice and data are sent to the VSAT hub station (remote control and uplink functions) via wireline interconnections for uplink to the satellite. A hub station can be owned and operated by the company using the network or by a third party operating a shared hub providing service to multiple VSAT networks.

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FSS/BSS SYSTEM INTERCONNECTIONS



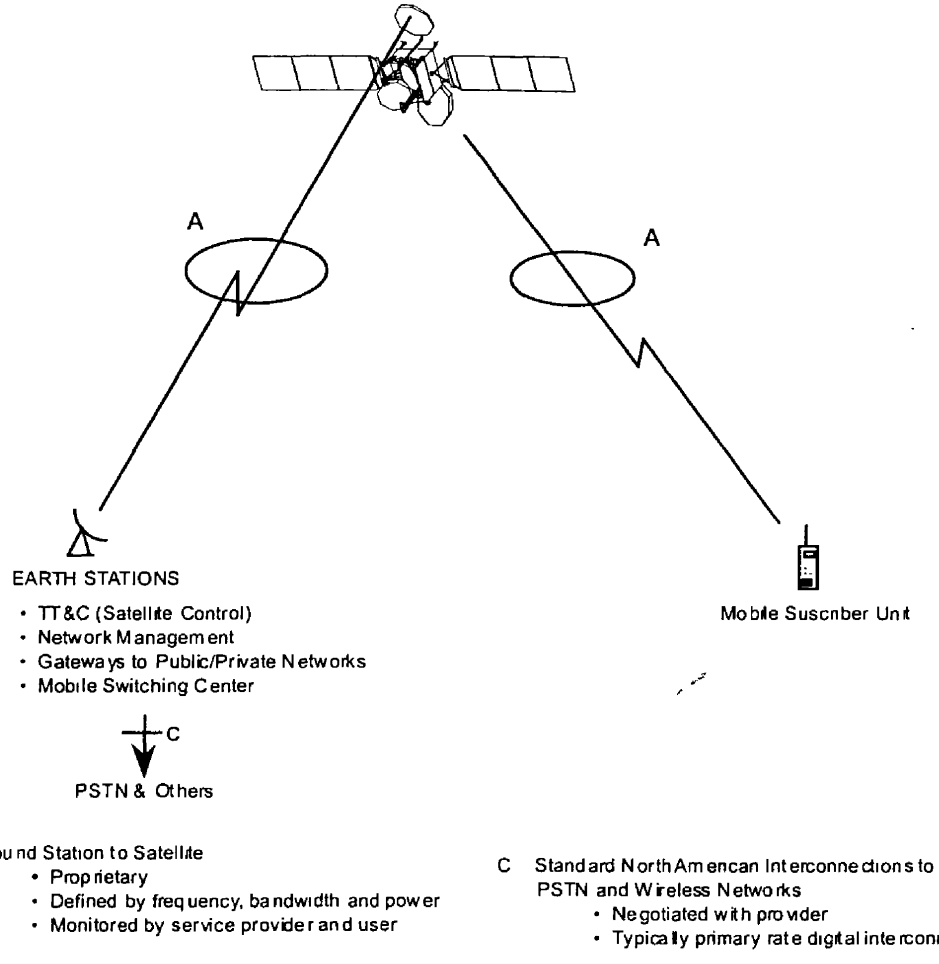
A Ground Station to Satellite Interface - Proprietary
- Defined by frequency, bandwidth, power
- Monitored by Satellite service provider and User

B Private Line Dedicated Service (E.G. T-1)
- Defined by current standards
- Monitored by PSTN & Satellite Service providers

Mobile satellite services are the newest to enter the marketplace; they will provide the equivalent of cellular telephone service to the general public. One company will begin service in late 1995, offering subscribers worldwide voice, data and facsimile communications to land, maritime and aeronautical users throughout the United States and Canada from a satellite in GEO. Several other concepts and competing systems are in various stages of development. These new system architectures employ multiple satellites in orbits below GEO (Medium (MEO) and Low Earth Orbit (LEO)) and also offer world wide connectivity either by satellite to satellite cross links or direct connectivity to existing international service providers.

MSS systems will interconnect with the PSTN and other cellular networks through earth station "gateways." The gateways are actually hybrid cellular mobile switching centers (MSC).
MSS designs rely on existing PSTN and cellular interface specifications and equipment to interconnect with other networks. The ultimate goal is to provide the subscriber worldwide voice and data connectivity from a hand-held unit. See MSS diagram.

MSS SYSTEM INTERCONNECTIONS



Technology will continue to increase the capability of satellites and satellite-based services. Advances in computer technology have allowed the transfer of functions from earth to space, making a space-based switched network a future option. Higher frequency systems with increased data rates will provide high speed duplex links and bandwidth on demand in support of the information highway and personal communications services (PCS).

A typical satellite-based system can take from eight (8) to ten (10) years to develop and implement, therefore networks that will interface with the PSTN as we know it today, are already in development. The high up-front cost and implementation risk of a satellite-based system (launch vehicle reliability is less than 95 percent for the industry) will necessarily limit the number of new services that actually make it to market. Satellite networks offer an option for diversity to services carried on terrestrial cellular networks and the PSTN and can provide an increase in overall service reliability if terminal unit multi-modality exists.

5.3.2 *CRITICAL INTERCONNECTION POINTS*

Respondents to the Task Group II questionnaire identified interconnection to the wireline networks as most critical. This response reflects today's architectures and the dependence on wireline for end-to-end connectivity. This response is expected to change in the future with the growth of direct to home services that do not require wireline for connectivity and the introduction of satellite-based mobile services. Other responses indicated that, at this time,

satellite-based networks have limited interconnection to wireless and other satellite networks and evaluated these interconnections as lower risk.

5.3.2.1 *PHYSICAL CHANNEL*

Satellite-based networks interface with the PSTN and other networks through interconnections of physical channels. These connections are described by industry terms such as copper, fiber or microwave, which imply the capacity or data rates that can be accommodated at the interface, e.g., DS-O, DS-1, DS-3, etc. The physical channel interface is well defined and standardized; satellite service providers that use these channels comply with existing specifications. Satellite respondents to the questionnaire did not single out the physical channel as a significant risk to network reliability.

5.3.2.2 *SIGNALING CHANNEL*

FSS and BSS do not utilize signaling channels of the PSTN or other networks for connectivity and therefore do not affect the reliability of this important interface. Mobile satellite networks, however, will require interfaces with the PSTN and cellular networks to provide telephone services to their subscribers. Current architectures are planning to take full advantage of existing signaling standards, i.e., SS7 and IS-41 and equipment that complies with current specifications for call management. Satellite network interfaces to the signaling channel were not considered a significant risk to PSTN reliability by respondents. This reflects the industry's confidence in existing standards and current experience.

5.3.2.3 *USER INFORMATION CHANNEL*

As with wireline and cellular networks, the user information channel of a satellite network is the most visible to the end user and therefore of great importance to the service provider. If customers are unhappy with the availability or quality of this channel, they will seek other options to satisfy their needs. Respondents assigned the least risk to the PSTN resulting from satellite network interconnections using this channel.

5.3.2.4 *OAM&P CHANNEL*

Satellite network operators and service providers responding to the questionnaire did not assign a high risk to the Operations, Administration, Maintenance and Provisioning Channel. Inter and Intra network coordination are important functions that allow smooth operations and support fault isolation and service restoral. Procedures to implement bilateral agreements are usually coordinated through this channel. Coordination will become more important and complex as the number of networks and services grow.

5.3.2.5 *SYNCHRONIZATION AND TIMING*

Some companies identified network timing and synchronization as a critical interconnection issue. Many satellite-based networks are designed to use digital technology and therefore must have a method of ensuring their networks are synchronized with interconnecting networks. The issues are not unique to type of network; wireline, wireless and cable all face the same requirements for digital systems.

The term synchronization refers to an arrangement for operating digital switching and transmission systems at a common (or synchronized) clock rate with proper phase alignment at the bit and byte level between the transmitter and receiver. Improperly synchronized clock rates and/or phase misalignment can cause portions of the bit streams to be lost in transmission.

Numerous documents exist regarding network synchronization. (For example, see ANSI T1.101 Digital Network Synchronization Standard and Bellcore TR-NPL-0002275, entitled "Notes on the BOC Intra-LATA Networks.") Service provider entities wishing to interconnect networks should become familiar with these various industry documents. As a start, these entities should appoint a Synchronization Coordinator to assist their company in becoming familiar with this area (TR-NPL-0002275 outlines the responsibilities for such a coordinator.) In addition,

the coordinator's name should also be provided to the ICCF for its Synchronization Directory. This will facilitate industry coordination for planning, designing, installing, testing and administering the synchronization network.

Recommendation 1. Each company should appoint a Synchronization Coordinator who will perform the responsibilities contained in TR-NPL-0002275. Companies should provide the name of its Synchronization Coordinator to the ICCF for inclusion in its Synchronization Directory.

Recommendation 2. Companies should comply with the synchronization standards addressed in ANSI Standard T1.101, entitled "Digital Network Synchronization."

5.3.3 *AREAS OF CONCERN*

5.3.3.1 *NETWORK INTERFACE STANDARDS*

From the industry survey questionnaire, satellite service providers indicated a reliance on the following for reliability and performance requirements and standards when implementing an interconnection to other networks: bilateral agreements, Bellcore TRs and internal company specifications were identified by most as the primary sources; ITU recommendations, NOF/IITP procedures and Committee T1 were cited by fewer of the respondents. The FCC licensing role in the satellite service industry for satellite orbital positions and earth station operations was identified as an additional factor contributing to reliability and performance.

Bilateral agreements were clearly seen as a key element in defining network interfaces. The set of important issues to be included in bilateral agreements identified by satellite network respondents was similar to that identified by other type providers. Performance, provisioning, installation and maintenance and protocols were cited by most respondents; diversity and security requirements were cited by fewer respondents.

The need to monitor interconnections, once implemented, was pointed out by specific reference to procedures used by each provider. Respondents indicated reliance on several methods used to monitor their networks. Full-time automatic monitoring including alarms that identify fault conditions, reliance on user/customer notification of reduced performance and performance bench marking at service initiation with periodic testing to establish trend data.

Several comments relating to OAM&P activities were included in responses. The focus was on the potential for interference among/between satellites operating at the same frequencies and close orbital locations. The FCC has mandated that domestic service providers work together, through a process of coordination, to ensure that their services do not cause interference with other service providers operating in nearby orbital positions. The coordination process requires that designated representatives of each provider exchange information regarding future plans and changes to existing services that potentially affect services on one or the other satellites. The coordination process usually starts prior to launch using data from system testing and analysis. Satellites already in operation have priority over new systems; some problems may not be identified until both satellites are in operation, in which case an operational work-around is usually developed by the parties to resolve the issue. Examples of operational work-arounds include the establishment of a defacto requirement that all FM analog C-Band television transmissions be centered in the transponder and the requirement to notify all operators of satellites that will be passed by a satellite that is moved from one orbital position to another. In addition to inter-satellite coordination, the service provider must maintain intra-satellite coordination among it's customers to ensure interference free operation for all transponders.

Respondents indicated strong reliance on inter-company testing, existing standards and specifications, and conformance testing to ensure inter-network reliability and interoperability once an interface between networks has been established.

Several suggestions were offered for a process to establish and implement standards for a new, previously unspecified, interconnection interface. The need to start very early with the development of requirements and a standard against which simulation, manufacture and verification testing can be compared was highlighted. One respondent proposed a strategy for developing a new standard that included providing a draft to all standards bodies

and service providers who would be affected by the new service. The need for a single project manager to be the process owner/champion, with full responsibility from creation to adoption, was strongly recommended.

Satellite service provider responses to the series of questions relating to the level of responsibility for developing, planning and ensuring compliance with new inter-network service standards paralleled the other industry responses. Respondents levied primary responsibility on service providers, manufacturers, standards bodies and industry fora for developing and planning new standards; governmental agencies, FCC and State Utility Commissions were seen to have less responsibility. Responsibility for ensuring inter-network reliability/interoperability was also primarily levied on service providers, manufacturers and industry fora; standards bodies were thought to have less involvement in this phase of the process, as were the FCC and State Utility Commissions.

Recommendation 3. Satellite service providers are encouraged to continue their reliance on existing standards and interface specifications, bilateral agreements and end-to-end testing to define and verify performance and reliability requirements.

5.3.3.2 *SERVICE ASSURANCE/INTEROPERABILITY*

Respondents to the survey indicated mixed participation in existing standards bodies; no preference or industry focus was identified. Further, the satellite service providers as a group have not participated in the IITP. This most likely reflects the current level of satellite network interconnection with the public network, e.g., a wireline connection to the PSTN for transmission of video, voice and data to and from an earth station. These connections are defined service offerings and are specified by the service provider.

There is universal support for the requirement to conduct end-to-end testing when establishing a new network or bringing a new service on line. Several methods were identified, starting with system design including review of customer's service requirements, worst case analysis and detailed RF transmission path (link budget) calculations. Certification by the vendor and pre-service acceptance testing were included in the process. Verification of engineered values and operating parameters are accomplished to establish a baseline that will allow performance evaluation in the future. (See Section 7 for a discussion of a future direction for interoperability testing.)

Recommendation 4. Satellite service providers are encouraged to participate in existing standards bodies and industry fora to ensure future standards accommodate their requirements.

Recommendation 5. The newly-formed Satellite Industry Association (SIA) should be encouraged to interface with existing standards bodies and industry fora to ensure interoperability and reliability issues are properly addressed.

5.3.3.3 *FAULT ISOLATION*

Performance problems in a satellite network can be identified by the satellite operator, the service provider or the subscriber. The satellite operator monitors the satellite continuously and can determine if a fault is the result of a satellite sub-system problem or caused by the interconnecting ground system. If the problem is with a satellite unit the operator can switch to a redundant unit and restore service quickly. Once the satellite is ruled out, all parties must coordinate efforts to identify the network section that is causing the problem and the party responsible for restoring service. For example, an uplink earth station may have a noisy or failed high power amplifier that is introducing noise into the user information channel; once identified, the circuit can be brought down/isolated and the failed unit replaced. The usual methods of fault isolation include loop backs, swapping units, alternate routing and uplink/downlink signal comparison.

5.3.3.4 *FAULT MIGRATION MITIGATION*

Service providers were asked to identify means they employ to protect their networks against fault migration, control channel intrusion, negative impacts on performance and call processing delay. Responses varied, reflecting the different services and importance of each issue to the network. Satellite operators are concerned with intrusion and fault migration into the TT&C and network control channels as well as the user information channel.

Intrusion on network control channels is protected against in various ways, depending on specific application and type of control channel in question. For example, command and control of a satellite on orbit is protected from intrusion by frequency of the command RF link and by requiring each command to be uniquely formatted and addressed to the satellite. The earth station having command and control responsibility for the satellite can verify, through telemetry, that the desired command has been received before executing it. Some satellite operators have taken the additional step of encrypting all commands to their satellites to further protect against the possibility of intrusion. Intrusion into the command and control link of a satellite has not been a problem and has not contributed to network outages.

User information channel transmissions through a satellite are a simple reproduction of the information received (video, voice or data), either analog or digital in format. The satellite transponder will change the frequency of the received signal, amplify it and broadcast it back to earth. Once the satellite is configured to complete the desired link it will act as a "bent pipe," a simple pass through and provide the equivalent of a dedicated wireline circuit until the user no longer requires it. If there is a fault associated with the information at the interface between a terrestrial and satellite network, it will be retransmitted.

The potential for information channel interference exists, but service providers and users are constantly monitoring the information channel and can take quick action to restore signal quality. An earth station operating at an incorrect frequency or pointed at the wrong satellite can interrupt user information channels; when this occurs, operators rely on OAM&P channels to identify and correct the problem.

Methods for protection against fault migration include installation and monitoring of upstream and downstream alarms to isolate/locate faults, diversity of interconnects, load shedding, reliance on connecting service providers and interface specifications and automated service diagnostic testing. Respondents indicated that firewalls and safeguards were part of their network protection plans; usage varied, however.

Since most networks are computer controlled through terrestrial links to earth stations, operators employ the usual methods of passwords and compartmentalization to protect those elements of the network. When links are required to or from remote sites, passwords and dial-back modems are often used for intrusion protection.

Proper performance of the satellite as a part of the end-to-end circuit, regardless of the contents of the information channel, is assured by continuous monitoring of the down link signal. This monitoring can be done by the service provider, the circuit user or both, depending on the nature of service being provided and the terms and conditions of the contract between them. Transmitting and receiving earth stations are continuously monitored to assess the status of equipment; many key units are redundant and are automatically switched in the event of a failure.

In addition to the above mentioned protections, respondents identified the following procedures and practices as significant parts of their overall network protection plans: some operators reserve the right, through contract terms and conditions, to terminate service to a customer that is causing problems in the larger network until the customer is able to restore nominal operating conditions; others cited the use of authorization codes and restricted interconnects.

5.3.3.5 *ENGINEERING CAPACITY PROVISIONING*

The satellite is usually the limiting factor in capacity provisioning for services. Size, weight and power are constrained by the capability of launch vehicles to put the satellite in orbit; in addition, frequency spectrum is allocated by the FCC and is limited. The service provider must determine if the limiting factors will allow sufficient capacity to support a profitable business. Once this determination is made the satellite service provider will work with interconnecting networks to ensure that end-to-end capacity is available.

5.3.3.6 *INFORMATION SHARING*

Satellite service providers recognize the need for information sharing and the benefits it brings to the industry. The recently formed Satellite Industry Association, an operating arm of the Satellite Broadcasting and Communications Association (SBCA), is made up of satellite owners, operators, manufacturers, launch vehicle manufacturers and service providers. It will provide a forum for information sharing and will represent the U.S. commercial industry.

5.3.3.7 *MUTUAL AID*

All respondents but one indicated they have disaster recovery plans. The responses highlighted the fact that plans are unique to the network provider and vary considerably in the formality of agreements with other providers for mutual aid and/or emergency resources. Not all providers rely on other networks for mutual aid. Responses to the question regarding frequency of review for these plans ranged from continuously to infrequently to annually.

Some providers have sufficient on-orbit resources to provide backup in the event of a catastrophic satellite failure; most satellites are designed with redundant on-board units that either switch automatically or can be commanded from the earth station to take over for a failed unit. Earth stations are also designed with considerable redundancy; most have Uninterrupted Power Supplies (UPS) to take over in the event of loss of commercial electric power and many have completely redundant backup stations that are geographically separated from the prime site to take over in the event of a major outage.

5.4 CABLE TV INDUSTRY INTERCONNECTIONS

The cable companies are projected to be emerging players in the telecommunications industry in the near future. They will have the same level of responsibility as other service providers to ensure the reliability of the "national" network. The focus of this study was to examine the differences and similarities of cable operators to other types of service providers to determine if their needs for interconnection require special requirements. As a result of this investigation, it appears that there will be many similarities and few differences between cable companies and other wireline providers in the telecommunications environment.

The NRC Task Group II on Increased Interconnection lacked direct participation by the cable industry. Although there were no written responses to the task group's questionnaire, the views of the cable industry were represented by a member of the NCTA. Also, information from the non-cable companies who did respond to the questionnaire was used to help reach these conclusions even though they answered the questions from the perspective of entities who will be interconnecting with cable companies.

Based on a discussion with a cable industry association representative, there is currently active participation in Committee T1, CLC fora, TIA, NCTA, PCIA, ITU and, for those who have cellular interests, CTIA. There has been no past need for cable involvement in IITP because they have not been in the telephony business, nor do they have operational SS7 signaling in their own networks at this time.

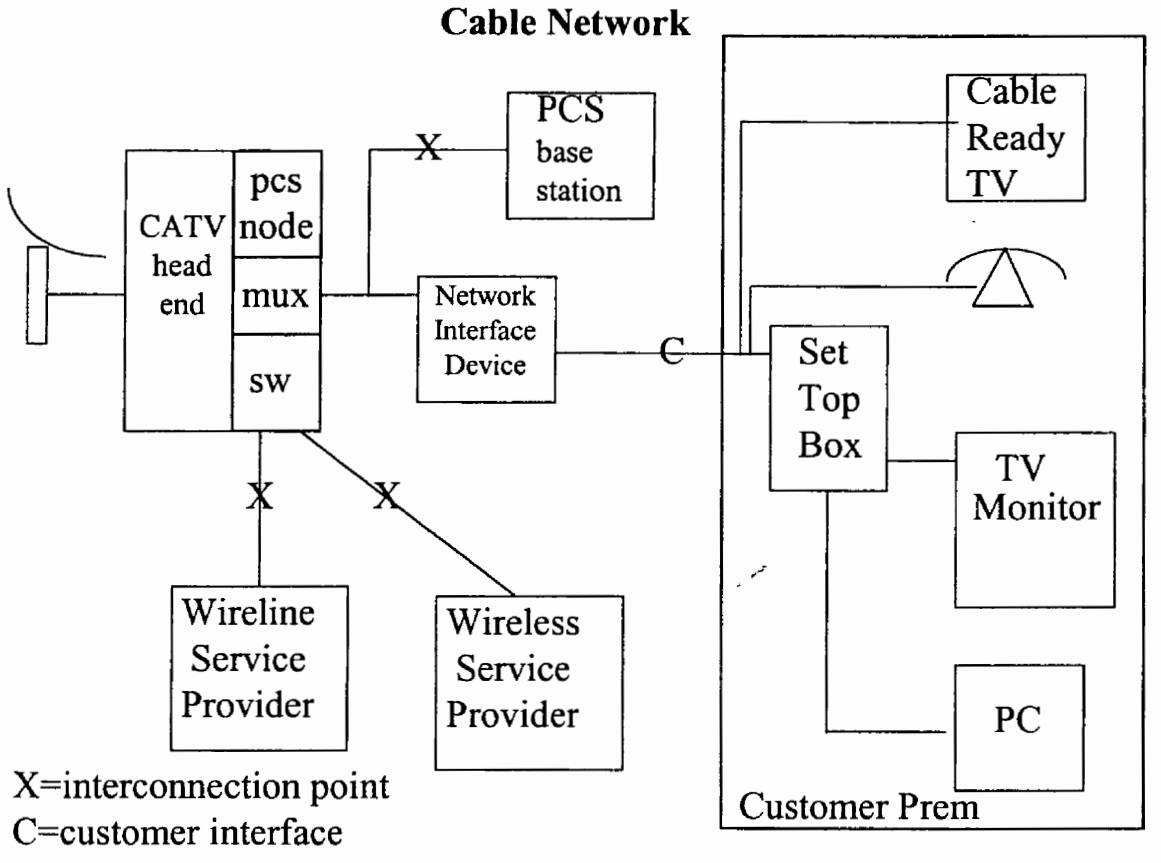
In the survey results, when non-cable respondents were asked, "How critical was interconnection with the cable companies to their networks?", the wireline companies expressed a greater concern with other service providers, i.e., cellular and satellite. Manufacturers felt the cable interface was more critical than any of the service providers expressed, but they still don't view it as the most critical interface.

When reviewing the material and studying the proposed architectures for the cable companies to enter into the telecommunications service provider scenario, it becomes apparent that the cable companies begin to look like other wireline carriers. They will be using similar technologies from the same vendors and have the same requirements for interconnection to complete calls across multiple networks. For these reasons, it is recommended that the cable operators' responsibility for critical reliability issues fall under the same guidelines and requirements as other wireline providers. To the extent they proceed into the wireless environment, they should follow the same recommendations made to other cellular service providers.

The task group believes the cable companies would agree with the respondents to the industry survey that the service provider is the primary responsible party to develop, plan and ensure inter-network reliability and interoperability between players.

5.4.1 *DESCRIPTION AND DIAGRAM*

By the end of this decade, cable television companies are expected to represent large providers of local distribution transport and switching. Their interconnection points to the PSTN are anticipated to occur at traditional locations where existing telecommunications industry standard interfaces already exist. In addition, interconnection may occur at unbundled interconnection points currently being defined that will also be subject to technical specifications. The diagram below illustrates one possible cable network architecture:



5.4.2 *CRITICAL INTERCONNECTION POINTS*

5.4.2.1 *PHYSICAL CHANNEL*

The physical channel is the facility that is used to carry the Information, Signaling and OAM&P Channels. The physical channel interface is the point where two telecommunications systems/facilities physically interconnect. Usually, it is described in industry terms as copper or fiber, which may be inferred from the capacity of the facility at the interface, e.g., DS0, DS1, DS3, T1, T3, OC12 and the like.

One cable contact indicated that a problem in the physical interface was more likely to affect a large number of customers than some of the other interfaces.

Recommendation 1. Appropriate safeguards or firewalls should be implemented so problems from one network are not spread to another. Additionally, the creation of new network elements used to support the physical channel should meet present loop performance requirements.

5.4.2.2 *SIGNALING CHANNEL*
and
5.4.2.3 *USER INFORMATION CHANNEL*

The signaling channel was not viewed as the most critical inter-network interface by cable companies, mainly because they do not use SS7 signaling in their networks today. To the extent they begin building their own SS7 networks or begin building dependence on someone else's SS7 signaling in their networks, these interfaces will require compliance to industry standards as well as bilateral agreements to establish interoperability.

Cable companies are expected to require interconnections at traditional points in the PSTN where the technical issues have already been identified and have been resolved through industry standards and operations policies.

A possible interconnection problem can develop for the information channel interconnection in the form of fault migration. Because of the industry requirements for two-way transmission performance and because this interface is not being rigidly monitored, there should be special attention applied to loss, noise and transport delay design issues:

Recommendation: 2. Cable telephony providers should comply with generally accepted industry standards and processes when connecting to the PSTN, as described in the wireline section of this report.

5.4.2.4 *OAM&P CHANNEL*

The OAM&P channel was described by one representative from the cable industry as the most risky interface. According to this source, although the user interface is the cause of most difficulties, the entire user base can be affected by a problem in the OAM&P environment. This is an area of concern with the existing cable providers. Development is needed to define OAM&P processes in this arena.

Recommendation 3. When interconnection begins between cable networks and the PSTN, appropriate safeguards should be developed to avoid propogation of OAM&P problems into each other's network. Information sharing is essential.

5.4.2.5 *SYNCHRONIZATION AND TIMING*

In response to the questionnaire sent out to the industry, some non-cable companies identified network timing and synchronization as a key interface. The need for synchronization is the result of digital switching and transmission systems directly interconnected by digital facilities requiring some means of synchronizing clock signals. The term synchronization refers to an arrangement for operating digital switching and transmission systems at a common (or synchronized) clock rate with proper phase alignment at the bit and bite level between the transmitter and receiver. Improperly synchronized clock rates and /or phase misalignment can cause portions of the bit stream to be lost in transmission.

Numerous documents exist regarding network synchronization. (For example, see ANSI T1.101, Digital Network Synchronization Standard and Bellcore TR-NPL-002275, entitled "Notes on the BOC IntraLATA Networks.") Entities wishing to interconnect with the wireline network should become familiar with these various industry documents.

Recommendation 4. Cable companies should appoint a Synchronization Coordinator for their company who will perform the responsibilities contained in TR-NPL-002275. Cable companies should provide the name of their Synchronization Coordinator to the ICCF for inclusion in its Synchronization Directory.

Recommendation 5. Cable companies should comply with the synchronization standards addressed in the ANSI Digital Network Synchronization Standard.

5.4.3 AREAS OF CONCERN

5.4.3.1 *NETWORK INTERFACE STANDARDS*
and
5.4.3.2 *SERVICE ASSURANCE/ INTER-OPERABILITY*

In general, cable companies have little experience in interconnecting with other telecommunications networks. In the past they had no need to interconnect because their transmission of information was one way to the customer and their networks were independent of others. A problem in one cable system did not spread into other systems. As cable companies enter into the telecommunications world and begin to interconnect with other networks and carry two-way communications, however, they will face new requirements, standards and industry processes to ensure compatibility across networks. (See Section 7 for a discussion of a future direction for interoperability testing.)

5.4.3.3 *FAULT ISOLATION*
and
5.4.3.4 *FAULT MIGRATION MITIGATION*

With present cable network design, fault isolation and fault migration mitigation are not issues for the cable industry. However, as they enter the telecommunications business, procedures for handling fault isolation and fault migration mitigation will be necessary. The potential of service impairment spreading to other service providers' networks becomes critical and must be addressed.

5.4.3.5 *ENGINEERING CAPACITY PROVISIONING*

The views of the cable industry did not identify capacity issues as a critical concern. However, when cable network interconnection with the PSTN occurs, engineering capacity issues will need to be addressed. Cable providers' networks in this form of interconnection will resemble wireline provider exchange networks. As described in Section 5.1.3.5, the task group recommends that cable providers should be expected to adopt two basic elements to address capacity concerns resulting from interconnected networks. The first element involves preplanning. The parties to be interconnected provide estimates of their projected traffic for a future period and the necessary facilities are secured. The second element involves network surveillance and management. The task group recommends cable providers use network control systems to monitor their networks on a 7-day-per-week, 24-hour-per-day basis using a combination of trained personnel and performance monitoring systems. These network management locations have the capabilities to implement traffic flow control measures to choke traffic and/or perform call gapping to minimize the overall network impact of outages and network stress conditions. In addition, the network management locations should be part of a nationwide inter-network team, capable of responding to local, regional and national stress conditions to cooperatively mitigate traffic stress conditions when they occur.

Recommendation 6. To keep overflow traffic conditions from adversely affecting interconnected networks, interconnected network providers should utilize network surveillance and monitoring. In addition, companies should follow the guidelines for advanced notification of media-stimulated call-in events as outlined in Section 6 of the NOF Reference Document concerning Media Stimulated Call-in Events. Further, interconnecting companies should include a contact name for inclusion in the Media Stimulated Call-in Event Contact Directory. Finally, interconnecting companies should address the control of overflow conditions in their bilateral agreements.

5.4.3.6 *INFORMATION SHARING*

As a service provider in the telecommunications industry, the cable companies would be expected to participate in industry fora and share information in the form of contributions to help preserve the integrity of the "national" network. They would also be encouraged to participate in the IITP and other industry testing activities and testbeds.

5.4.3.7 *MUTUAL AID*

From the data gathered, it appears the cable companies already have limited mutual aid agreements, both formal and informal, within their own industry. To ensure service continuity in the case of a disaster or major outage, they will need to develop new agreements with other telecommunication providers as well.

Recommendation 7. Cable companies need to participate in industry fora such as ICCF and NOF and should appoint a mutual aid coordinator to be included in the "NOF" mutual aid contact directory. Engineering practices need to reflect the fact that they are interconnecting with other service providers and that overload conditions on their network can affect those to which they are interconnected.

5.5 STUDY CONCLUSIONS

5.5.1 *WIRELINE*

The wireline carriers represent a mature industry that has undergone tremendous changes since the breakup of the Bell System. The wireline carriers have developed processes to accommodate connections of local exchange carriers to interexchange carriers and of wireless "cellular" carriers to both local and interexchange carriers that can serve as the basis for interconnections that should occur in the next 3 to 5 years. These processes encompass the following basic elements: Standards and Specifications Development, Intra-Company Testing and Inter-Company Testing.

Similarly, the wireline carriers have developed a basic process to maintain the reliability of interconnected networks that consists of planning, testing and ongoing monitoring and surveillance.

In addition, there is evidence of the use of "firewalls" by the wireline carriers to minimize the possibility of a problem in one network causing a problem in an interconnected network(s). The process to be followed to develop a new interface should include the use of industry fora and, as appropriate, the use of standards bodies.

Existing processes will need to evolve to accommodate future interconnections. A key to successful evolution is the continuation of overall industry cooperation and willingness to participate in industry fora and committees. However, radical changes do not appear to be needed.

5.5.2 *WIRELESS "CELLULAR"*

The existing cellular carriers have experienced substantial growth and technology change while maturing as an increasingly significant part of the telecommunications industry infrastructure. Cellular and wireline carriers have identified and established standards and interfaces necessary for reliable line, trunk and signaling interconnections. Where necessary, new standards and processes were developed to meet industry-specific needs, especially in the case of inter system signaling to support seamless roaming operations.

Interoperability testing processes have been established to ensure reliable signaling interconnections and interoperability testing is becoming important. Industry associations have been tasked to coordinate some aspects of this testing on a national basis and thus speed new features to the marketplace.

Bilateral roaming agreements between carriers wishing to offer seamless services by exchanging signaling messages have become common practice. These agreements specify technical, operational and administrative practices and procedures across physical and logical interfaces. These bilateral agreements will be increasingly useful as cellular carriers begin interfacing with wireline carriers for the exchange of SS7 call setup messages.

As the cellular industry segment continues to evolve, these processes (standards, interoperability testing and bilateral agreements) should be utilized and enhanced. The emerging PCS carriers and other new wireless service providers are also encouraged to embrace these as well as developing whatever standards, testing and administrative processes may be required to support their technology and business specific needs.

5.5.3 *SATELLITE*

The domestic satellite industry has matured as the provider of dedicated transmission capacity for video, voice and data services to the community of private user networks. The unique attributes of a satellite in GEO have offered cost-effective and highly reliable means of providing these services. The user community includes major television networks, cable TV operators, private business VSAT networks and direct to home entertainment providers. These satellite service providers/customers are users of the PSTN but are not "interconnected" to provide switched telephony services. Responses to the industry questionnaire from all network types, wireline, cellular , etc., support the position that interconnections with satellite networks do not present an increased risk to PSTN reliability.

Evolution of satellite-based mobile telecommunications and the introduction of high data rate services will increase the number and complexity of interconnections with the PSTN and will require continued vigilance on the part of the connecting parties to ensure reliability is not degraded with the addition of new services. Satellite service providers have traditionally relied on existing interface specifications, e.g., Bellcore TRs, bilateral agreements and end-to-end testing to ensure reliable performance. Respondents to the questionnaire indicated this practice will continue.

5.5.4 *CABLE*

The cable companies will emerge to become network providers in the voice telecommunications industry in the near future. They will have the same level of responsibility as other service providers to ensure the reliability of the "national" network.

When reviewing the material and studying the proposed architectures for the cable companies to begin offering voice telecommunications services, it becomes apparent they begin to look like other wireline carriers. They will be using similar technologies from the same vendors and have the same requirements for interconnection to complete calls across multiple networks. For these reasons, it is recommended that the cable operators' responsibilities for critical reliability issues fall under the same guidelines and requirements as other wireline providers. To the extent they expand into the wireless environment, they should follow the same recommendations made to other cellular service providers.

5.6 TEMPLATES

Many of the recommendations contained in this report are directed toward developing standards, defining and approving industry specifications and actually interconnecting different service provider networks. Two templates are offered in this section that summarize and list activities to accomplish these goals. The first, titled "Network Interconnection Bilateral Agreement Template," is for use whenever two service providers are implementing a specification and will actually interconnect their networks. The second is titled "Network Interface Specification Template" and is proposed for use in developing standards and in defining and approving industry interconnection specifications. When used in standards, it is expected that some of the items may have options or ranges, but the important point is that a standard not be developed without consciously addressing the entire list. When used by industry fora to define and approve detailed interconnection specifications, the possible options would be narrowed to ensure reliability and network integrity of the specific interconnection type.

Custodial responsibilities are indicated on each template page to define ongoing ownership, although other industry groups may want to adopt them also.

5.6.1 *NETWORK INTERCONNECTION BILATERAL AGREEMENT TEMPLATE*

The following worksheet should be used during the joint planning sessions between interconnecting service providers. This is an outline of the minimum set of topics that need to be addressed in bilateral agreements for critical interconnections. These worksheets should be used as follows:

- The types of interconnections to be established are agreed upon.
- Each Service Provider develops a version of this worksheet for each interconnection type.
- Specific references, including citations, relating to industry documentation, standards and references are identified.
- Individual company practices, policies and procedures are also identified and provided to the other party.
- All significant differences in practices, policies or procedures should be reviewed and resolved in joint planning sessions. Changes in individual practices, policies or procedures may or may not be required. Procedural symmetry is not required if differing policies produce a compatible, agreed-to outcome.

The Network Operations Forum is the recommended custodian of this template. Other organizations may also find the processes that evolve from this template useful and are encouraged to make use of and enhance it.

RELIABILITY CRITERIA	CHECK OFF
Interconnection Provisioning information and guidelines	
- Tariff Identification	
- NOF References	
- Interface Specifications	
- Network Design	
- Service Interworking Requirements	
SS7 and Other Critical Interface Inter-network Compatibility Testing	
- Service Protocols/ Message Sets	
- Testing Plans	
- CCS Interconnection Questionnaires	
Protocol implementation Agreements	
- Timer Values	

- Route set congestion messages	
- Optional Parameters	
- Switch parameters	
- TR246, T1.114, T1.116, GR 317, GR 394	
- Gateway screening	
Diversity Requirements	
- Route identifications	
- Diversity definition	
- SS7 Diversity Verification and Validation	
- Committee T1 Report No. 24 on Network Survivability Performance	
Installation, provisioning, maintenance guidelines and responsibilities	
- NOF Reference Document	
Network Admin/Ops Security requirements	
- Access methodology	
- Functional partitioning	
- Applicable tariffs on confidential information	
- Password and encryption control	
Performance service level agreements	
- Interface specifications	
- MTBF/MTTR - Contact / Escalation procedures - Performance Thresholds	
Specific versions of protocol and/or interface specifications	
- Network interface standards, version control, mandatory and optional categorizations	
Maintenance procedures, including trouble and status reporting, etc.	
- NOF Reference Document	
- Contact lists	
Inter-network trouble resolution and escalation procedures	
- NOF Reference Document	
- Contact lists	
In-depth root cause analysis of significant failures	
- Failure analysis procedures	
- FCC Outage Reporting Criteria	
- Service configuration	
- Protocol tests	
- Compatibility testing	
Network Traffic Management	
- NOF Reference Document, Section VI	
Synchronization Design and Company-wide coordination contacts	
- Establish conformance	
- Identify contacts	

- T1.101 Digital Facility Standard	
- BOC Notes on the LEC Network, SR-TSY-002275	
Performance Requirements	
- Interface Specifications	
Information sharing for analysis and problem identification	
- NOF Reference Document	
Network Rearrangement Management	
- NOF Reference Document - notification procedures	
Traffic engineering design criteria and capacity management	
- Alternate routing designs	
- Call Blocking criteria	
Mutual Aid agreements	
- NOF Reference Document	
- National Security/Emergency Preparedness	
Emergency Communications plan	
- Emergency Preparedness and Response Program	
- NOF Reference Document - Emergency Communications	
- Equipment Supplier participation	
Equipment manufacturer responsibilities	
- Written requirements	
- Software validation	
- Optional requirements	
- Testing	
- Emergency equipment availability	
RELATED ISSUES	
Explicit forecasting information	
- Direct traffic	
- Subtending/transiting traffic	
Network transition	
- growth/consolidation of network elements	
- NPA splits	
- Major rehoming, rearrangement plans	
- NOF Reference Document	
Routing and screening administration	
- Network call routing administration and management	
Responsibility assignments	
- Facility assignment	
- Network control	
- Automatic testing	

Calling Party Number Privacy management	
Tones and Announcements for unsuccessful call attempts	
- Network interface specification	
- NOF Reference Document	
Billing Records Data Exchange	
- EMR standards	
- Ordering and Billing Forum documentation	
Pre-cutover Inter-network Connectivity testing	
- Network Interface specification	
- NOF Reference Document	
Documentation Requirements	
- Network configuration	
- Contact numbers	
- Service Level Agreements	
- Implementation plan/milestones	
- Interoperability test results	

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5.6.2 *NETWORK INTERFACE SPECIFICATION TEMPLATE*

The following template is a generic model for the development of network interface standards or specifications. It identifies the minimum list of items that must be effectively addressed by the affected service providers to establish and maintain each point of network interface. The ATIS-sponsored ICCF is the suggested custodian of this template. Other organizations may also find the processes that evolve from this template useful and are encouraged to make use of and enhance it.

INTERFACE SPECIFICATION CRITERIA	CHECK OFF
Define the physical/software interfaces in terms of existing tariffs and technical standards and government regulation.	
Establish a clear point of demarcation that allows for non-intrusive test access.	
Define the environmental operating requirements according to security and reliability needs.	
Develop power and grounding requirements in accordance with safety and protection regulations, codes and standards.	
Define diversity requirements and survivability capabilities needed.	
Define interference generation protection levels relative to radiated and conductive electromagnetic properties.	
(Radio interfaces only) Define frequencies channelization, bandwidth, power level frequencies, tolerances and adjacent channel interference levels.	
Identify protocol elements in terms of the seven layer model OSI protocol stack.	
Define the message set that will be transmitted across the interface.	
Develop gateway screening functional requirements to block accidental or intentional intrusion of unwanted/inappropriate messages.	
Build for robustness by defining error correction, re- transmission overload controls and fault migration mitigation criteria.	
Develop message sets to facilitate fault detection, identification, diagnosis and correction.	
Develop network interface performance design objectives in terms of signal transport time (delay) availability (downtime) lost message probability and transmission criteria (BER, loss, noise, phase jitter)	
Define synchronization and timing requirements and establish monitoring and back-up capabilities.	

Ensure that forward and backward compatibility of the protocol is addressed for transition management.	
Provide local and remote network management notification and control capabilities.	
Develop a network impact statement to predict/specify the backward compatibility and purpose of the standard.	
Develop demonstrable performance criteria at agreed stages of specification development.	
Define and conduct acceptance testing to validate the defined stages of specification development.	

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6. TECHNICAL STANDARDS DEVELOPMENT PROCESS ADEQUACY ASSESSMENT

6.1 *ISSUE STATEMENT*

The Network Reliability Council charged Task Group II to examine and report its findings on the industry standards process, as described in the following Issue Statement:

"Consider the adequacy of the Standards Development and Compliance process. Is the voluntary development of and conformity to, standards keeping pace with increased interconnection and will it be able to in the future? If the standards development process is unable to keep pace with the needs, what escalation/resolution method is proposed?"

6.2 *BACKGROUND*

Standards form the basis for telecommunications network interconnection and are updated over the life of the standard to enhance or extend their capabilities to meet user and industry needs. The standards applicable to most telecommunications issues in the U.S. are developed by Committee T1 - Telecommunications sponsored by the Alliance for Telecommunications Industry Solutions (ATIS) and by the Telecommunications Industry Association (TIA). Exhibit 1 highlights T1 and TIA focus areas and standards structures. Some of the work of other standards groups may relate to telecommunications issues, e.g., IEEE (LANs, test equipment, etc.), X3 (private data networks, information technology, etc.), Internet Engineering Task Force (Internet protocol), SCTE (physical layer for cable television) and ITU-T (global telecommunications). Exhibit 2 contains additional information on the above groups. In addition, industry forums (e.g., ATM, Frame Relay and SONET Integration) use and influence standards to create user application profiles of standards and implementation agreements based on options approved in standards. These profiles and agreements are utilized by industry service providers and manufacturers to meet user needs.

6.3 *ANALYSIS METHODOLOGY*

To collect information on this subject beyond the knowledge of the focus group team, three standards bodies, an industry consortium and several manufacturers were invited to present their internal processes and descriptions of how they are linked to the development of industry standards. In addition, data was collected from a wide range of industry players on the role and effectiveness of the standards process in ensuring network reliability.

6.4 *THE STANDARDS DEVELOPMENT PROCESS AND RECOMMENDATIONS*

As a result of their ANSI accreditations, the technical standards development processes for the TIA Engineering Committees and Committee T1 are similar. The complete standards development process as viewed by Committee T1 follows.

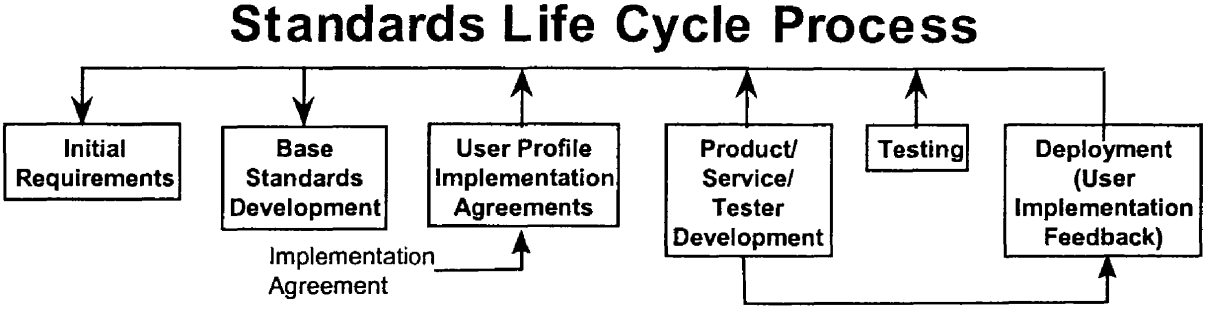


Figure 6.4.1 - Standards Life Cycle Process

The standards process is cyclic and so could theoretically start at any stage. In general, a flow beginning from the far left to the right, with feedback as shown, provides the most orderly introduction of a service or technology interface.

Stage 1: Initial Requirements. Inputs from users, manufacturers, or service providers that can provide an initial, perhaps high-level, basis for defining the service or technology interface.

The standards development initiation process is activated by a variety of sources. Listed here are some of them.

- Emergence of new technologies (PCS, ATM) may require new interfaces
- Industry group(s) submit requirements to exploit a business opportunity.
- Network user requests for additional capabilities stimulates new features or enhancements
- Industry evolution causes necessary accommodation of new interfaces
- Regulatory/legislative action mandates new interconnections

Stage 2: Base Standards Development. A minimum set of requirements defining interoperability provides an opportunity for individual manufacturers and service providers to be innovative in additional features and performance capabilities. This standards stage may require the cooperation of multiple organizations that develop standards within the U.S. (e.g., T1, TIA, IEEE and Committee X3) and harmonization with other standards bodies around the world. With regard to the latter, Committee T1 is the primary source of U.S. contributions to the ITU-T through a U. S. State Department process. It originates approximately 1,000 such contributions a year.

User and industry needs for reliable interoperability can be facilitated by the base standards development process that provides a comprehensive set of standards addressing the broad range of issues critical to interoperability. Program management techniques, including clear objectives, a customer involvement process, project milestones and identification of the dependencies between project elements can focus standards work to provide timely outputs. Reliable interoperability can also be aided, in some cases, through performance requirements for network elements that are consistent with performance and protocol specifications at the network interface.

Recommendation 1. Use of a network interface specification template is advised when a new network interface is identified for standardization. Standards bodies should use this type of template in developing the initial Standards Project Plan(s) for new interfaces to address the important areas for interconnection reliability. An example template for standards development planning is contained in Section 5.6.

Recommendation 2. Industry associations, such as ATIS and TIA, should consider the value of incorporating performance requirements for complex network elements with the interface standards requirements. Also, the associations should consider how such requirements should be developed and funded.

Recommendation 3. A careful technical and editorial review process, similar to and expanding upon the TIA/T1 JTC Validation and Verification process, should be utilized for all standards that have the potential for affecting network interconnection reliability to ensure technical clarity and consistency. This would be an appropriate method to validate technical adequacy in meeting the intent of the interconnection reliability template and project plan described in Recommendation 1. Exhibit 9 is the TIA/T1 JTC procedure.

Stage 3: User Profile Implementation Agreements. Standards should be forward-looking and provide a target for the features a specific technology or service interface may develop. It is beneficial to identify how a new technology or service interface standard can be used with other standards to provide an application that meets a user's need. With new technologies or services it may be difficult to initially provide all capabilities ubiquitously. Therefore, it is essential that capabilities be prioritized to lead service requirements. In addition, fora frequently identify priority user applications, the profile of standards to provide that application and agreements of the key standardized features to implement in the technology/service interface introductions. New technology or service concepts that emerge in this process stimulate inputs to standards bodies.

Recommendation 4. Wherever appropriate, standards bodies should work with other industry groups that use standards, such as the ATM Forum, to more precisely define standards requirements and minimize complexity and optionality. Excessive optionality can be dealt with through an appropriate contribution to the affected standards

committee. The Network Interface Specification, contained in Appendix 4 of this report, should also be used by industry forums to further define, detail and approve implementation for the industry.

Stage 4: Product/Service/Tester Development. Individual companies develop products, services and test equipment based on standards. Since the standards are voluntary, these products/services may fully or partially comply with the standard. In addition, they include features or capabilities beyond the base standards or the implementation agreements. These features and capabilities may provide a source of inputs to standards bodies.

Stage 5: Testing. Industry Testing (including interoperability testing) of telecommunications technologies can provide users and the industry with insight into characteristics (including interoperability between multivendor products) for a specific technology. Issues identified can be the basis for enhancements to the standards for that technology. Such testing is particularly important for widely deployed and critical network control technologies, e.g., Common Channel Signaling (SS7).

Stage 6: Deployment (User implementation Feedback) Deployment of standardized telecommunication technology provides an opportunity for user needs to be satisfied and for prove-in of network reliability. Feedback on introductory capabilities can stimulate needs for additional features and for improvements in standards to support new products, services and test equipment. This feedback is also important in the evaluation of the associated standards.

Recommendation 5. Interconnecting network operators should consider using interface survivability designs with redundancy and diversity such as those outlined in "A Technical Report on Network Survivability Performance" (Committee T1 Report No. 24).

6.5 *STANDARDS ORGANIZATIONS*

Within the U.S. telecommunications industry, Committee T1 and TIA have been the primary standards developers. The focus of their activities and organization information is given in Exhibit 1. The Society of Cable Telecommunications Engineers (SCTE), working on behalf of the cable television industry, will focus on "physical layer" standards for coaxial cable systems, while looking to Committee T1 and TIA groups to address other telecommunications needs.

Telecommunications systems interoperability is not limited to national interests. International interconnection demands cooperation on standards, now well beyond that needed for simple voice telephony. The Global Information Infrastructure (GII) requires global telecommunications standards within such groups as the International Telecommunications Union (ITU) and increasing collaboration among the various national/regional standards bodies (e.g., ETSI in Europe, TTC in Japan, Committee T1 and TIA in the U.S.). Committee T1 and TIA have been leaders in initiating harmonization and collaborative efforts.

6.5.1 *TELECOMMUNICATIONS INDUSTRY ASSOCIATION (TIA)*

TIA's Standards Committees are open to materially interested parties in accordance with TIA's ANSI-approved Engineering Manual. For TIA membership-eligible parties, voting participation on TIA engineering committees or subcommittees requires either being an active dues-paying member of TIA or paying a non-member participation fee. The non-member fee currently ranges from $1,000 to $6,800 yearly, depending on the number of weeks of meetings the committee/subcommittee plans to hold and the resource needs of the Formulating Group. TIA and Committee T1 costs are managed differently. TIA fees cover Secretariat, hotel, audio/visual and other costs, while Committee T1 members host their own meetings. Users can vote by paying a fee ranging from $200 to $6,800, depending on the activity level of the Formulating Group. Some Formulating Groups meet two weeks /year; some others meet as often as 15 to 16 weeks/year.

The TIA's Mobile and Personnel Communications Division organization and process flow is shown in Figure 6.5.1 below.

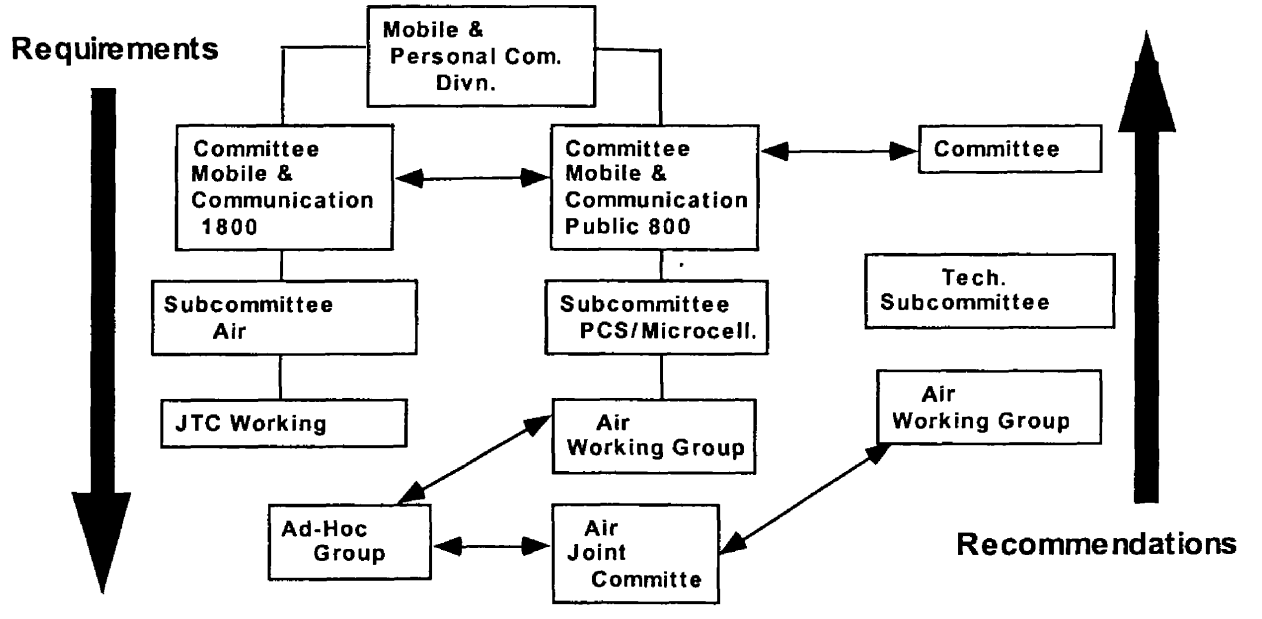


Figure 6.5.1 **TIA Mobile and Personal Communications Division**

6.5.2 Committee T1

The mission of the Committee T1 is to develop technical standards and reports supporting the interconnection and interoperability of telecommunications networks at interfaces with end-user systems, carriers, information and enhanced-service providers and customer premises equipment (CPE). The T1 Committee currently has six Technical Subcommittees that are advised and managed by the T1 Advisory Group (T1AG). Each recommends standards and develops technical reports in its area of expertise. The subcommittees also recommend positions on matters under consideration by other North American and international standards bodies.

The Alliance for Telecommunications Industry Solutions (ATIS) sponsors and provides the secretariat support for Standards Committee T1.

Membership and full participation in Committee T1 and its Technical Subcommittees is open to all parties with a direct and material interest in the T1 process and activities. Free of dominance by any single interest, this open membership and balanced participation safeguards the integrity and efficiency of the standards formulation process. ANSI due process procedures further ensure fairness.

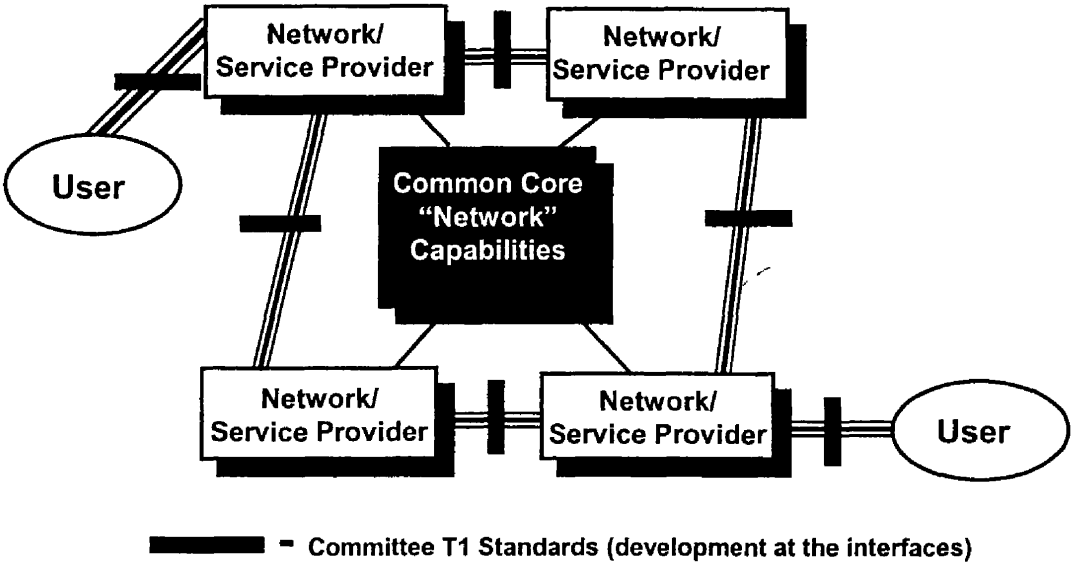


Figure 6.5.2.1 Sample Subset of U.S. Network of Networks, Committee T1 Standards

TIA AND COMMITTEE T1 KEY ITEM COMPARISON

Item	TIA	Committee T1
Membership eligibility	Manufacturers at the Division level IECs, LECs, Users can also participate at the Engineering Committee level	Manufacturers, IECs, Users, LECs
Process	Open, consensus-based, balanced, due process at the Engineering Committee level	Open, consensus-based, balanced, due process at all T1 levels
Item	**TIA**	**Committee T1**
Dues structure	Dues range from $1,000 to $50,000 depending on annual product/service sales. This provides full mbrship in TIA.	$2,500/yr.-voting $1,500/yr.-observer $1,500/yr.-subscriber $850 TSC member

Accreditation	ANSI (organization method)	ANSI (Committee method)
Life cycle mgmt	Yes (maximum re-issue/re-affirmation interval - 5 years)	Yes (maximum re-issue/re-affirmation interval - 5 years)

6.6 DEFACTO STANDARDS

There is a cooperative relationship between telecommunications equipment suppliers, service providers and users. While competition exists among service providers and among suppliers for business in the same markets, a high level of cooperation is needed to achieve interoperability through standards. Success in creating a *de facto standard* by one or more companies to quickly achieve market presence is difficult since interconnection with user equipment and multiple networks in a multi-vendor environment is required. The need for backward compatibility and interoperability can create disincentives to de facto standards since such standards can create economic disadvantages and reliability problems for users, manufacturers and network providers.

However, there is concern that, as the industry evolves to respond to more competitive pressures, service providers may feel pressured to implement interfaces before standards are available. Network reliability can best be maintained if service providers follow the interconnection guidelines contained in this report.

Recommendation 6. New network providers are encouraged to participate in existing telecommunications industry standards processes, either directly or through associations, via membership or contributions to Committee T1 or TIA.

6.7 PRE-STANDARD IMPLEMENTATIONS

Manufacturers benefit from participation in the standards and forum processes. System requirements and equipment specifications yield the opportunity to design, build and sell products to the network providers and telecommunications end users. However, if consensus develops slowly, manufacturers or service providers may be motivated to try to anticipate the standards. This can create a high risk opportunity to begin equipment fabrication before stable standards are available. In the mid-1980s this was the case for Basic Rate ISDN where the major U.S. switch manufacturers developed equipment based on two different technical specifications including different option selection (not a single standard). Later network requirements and components were changed to gain network interoperability.

Recommendation 7. Where adequate network interface standards exist, suppliers should develop and evolve their products to meet those standards. If interface standards are not established, network service providers and network equipment suppliers should actively participate in the development of robust network interface standards.

Recommendation 8. Interconnecting network providers should utilize industry-proven interconnection standards.

Recommendation 9. While standards are generally voluntary, increased emphasis should be placed on the value of compliance in ensuring network interoperability and reliability. However, in the case of public safety concerns, standards are identified with a "mandatory" emphasis.

6.8 *OTHER GROUPS INFLUENCING STANDARDS*

TINA (Telecommunications Information Networking Architecture) is a consortium of 40 companies that are developing an open architecture for telecommunications-distributed software applications, which makes use of recent advances in distributed computing and object-oriented design to achieve interoperability. TINA is presently collaborating with the standards bodies and industry forums. TINA's work is intended to have an impact on ATM, TMN, IN and multimedia.

6.9 *TIMELINESS OF STANDARDS DEVELOPMENT*

Experiences such as the pre-standard developments described in Section 6.7 and a greater market focus by U.S. telecommunications standards developers has dramatically improved the quality and timeliness of standards development. A few recent examples where timely standards development has been achieved in *12 to 18 months* interval (from initial proposal or issue identification to stable standard) are:

Timely Standards Development Examples

Personal Communications Air Interface (approx. 8000 pages)	T1/TIA Joint Technical Committee (T1P1 and TR46.3)
PCS Mobility Management Application Program	T1S1 to meet TIA TR46 needs
Outage Index based on FCC-Reportable Outage Data	T1A1 for NRSC
SONET Directory Services	T1X1 and T1M1
Asymmetrical Digital Subscriber Line	T1E1 to meet market needs
ATM Adaptation Layer for Data, Signaling and Video Application (AAL.5)	T1S1 with input requirements from the ATM Forum
SS7 Protocol Enhancements and Architectural Analysis	T1S1 for NRC I

Standards groups such as TIA and T1 are continuously improving their processes to meet user and industry needs. For example, Exhibits 3 and 4 describe improvements that have been implemented in the last few years and Exhibit 5 outlines the elements of the implementation Plan for the 1995 Committee T1 Strategic Plan.

However, broad concern still exists in the industry with respect to the ability of the standards process to keep pace with the accelerating requirements of new technology.

Recommendation 10. The most effective means to accelerate the standards development process is to ensure new standards work has sharp technical focus and clear standards deliverables, plus final and interim milestones for those deliverables. Exhibits 6 and 7 contain information on standards project proposals and project tracking based on this recommendation.

Recommendation 11. All telecommunications standards bodies should implement by year end 1996 interactive electronic access methods to expedite the submission, creation, acceptance, review and finalization of technical standards. This is already underway but a completion date has not been specified.

Recommendation 12. The Forum Process should be employed by the industry and companies/agencies to foster innovation and to produce contributions to the development of standards, not in lieu of standards. Industry fora have been instrumental in specifying implementation agreements.

Recommendation 13. Industry associations /fora, such as ATIS, TIA, ATM Forum, etc., should sponsor early (pre-standardization) industry interactions on emerging technology and service concepts. It was agreed that an initial "industry needs" framework would provide parallel inputs to industry standards activities and the development of generic requirements for network elements.

Recommendation 14. Industry associations, such as ATIS and TIA, should determine how the necessary generic requirements, described in Recommendation 13 should be developed, funded, approved and maintained. This approach will promote compatibility between standards and generic requirements.

6.10 *CONCLUSIONS ON STANDARDS ADEQUACY FOR NEW NETWORK INTERCONNECTION NEEDS*

The voluntary, open, consensus-based standards process, including Industry Forums and Generic Requirements Process, is viewed as being adequate to support network interoperability and reliability issues relating to basic voice services on wireline networks.

The industry survey data gathered for this report indicates a high degree of dependence on standards bodies to develop service, reliability and interoperability standards and specifications. However, the industry views standards bodies as having little responsibility for ensuring inter-network reliability and interoperability. Therefore, it is highly recommended that interconnecting network operators execute bilateral agreements and compatibility testing to ensure reliable interoperability. The survey data indicates a high level of support throughout survey respondents for the use of the standards process, industry forums, interoperability testing and bilateral agreements.

Recommendation 15. Bilateral agreements should be developed and put in place before networks interconnect in order to ensure reliable interconnection and interoperability. In addition, the forum process (e.g., NOF and ICCF) provides the framework for developing national technical and operational industry agreements for new network interconnections. Participants in these agreements should demonstrate compatibility with established industry standards, procedures and processes as a condition for interconnection. Exhibit 8 provides a Model Process for SS7 Network Interconnection. (Appendix 4 is a template for such a bilateral agreement.)

Quickly maturing and innovative standards development processes relating to cellular applications and interconnections with wireline networks are evident. The development or adaptation of interconnection standards for wireline and wireless networks with other networks, i.e., cable television, some new satellite systems, and mobile satellite systems, is still very much in the future.

Since 1984, the U.S. telecommunications network has grown, while introducing new technologies and services in a multi-vendor environment of more than 500 Interexchange Carriers, 1,500 Exchange Carriers and 1,000 Cellular service providers. The development by telecommunications standards bodies of working relationships with industry forums, a focus on the positive impact of the standards and continuous improvement processes have allowed standards bodies to meet industry and user needs for timely standards development in the face of rapid evolution of technologies and the convergence of industries. Moreover, process improvements, including use of electronic document handling to facilitate and expedite standards development and dissemination, should ensure that the standards process can continue to improve to meet future challenges. In addition, the strategic impact of standards and increased executive awareness of the standards impact, where necessary, can stimulate corporate escalation processes for critical industry standards issues.

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7. ANALYSIS AND RECOMMENDATIONS FOR COORDINATED NETWORK INTEROPERABILITY TESTING AND FUNDING

7.1 *ISSUE STATEMENT*

In its Second Report and Order (FCC 94-189, FCC Docket No. 91-273), Released August 1, 1994, the Federal Communications Commission discussed comments provided to it by various industry members relative to long-term funding for the industry-wide Inter-network Interoperability Test Plan (IITP) efforts. The Commission noted in paragraph 77, "The NRC is the best mechanism for resolving any IITP funding problem that may exist, either by means of specific recommendations to the industry or, if such a solution is not possible, by means of a recommendation to the FCC. We refer this question to the NRC." The currently commissioned NRC asked this task group to address this issue.

7.2 *SUMMARY*

The goal of the task group's work was extended beyond the specific charge to recommend an IITP funding method. This report not only recommends a funding method, but it also outlines a functional management structure that will facilitate inter-network interoperability requirements development and testing and also allow evolution to address future network interconnection requirements, beyond current IITP efforts.

Relative to this expanded management structure, now to be called Inter-network Interoperability Test Coordination (IITC), the task group accepted input from many sources, including AT&T, Ameritech, Bellcore, GTE, DSC Communications Corporation, MCI, the Network Operations Forum, NORTEL, Pacific Bell, Sprint, U S WEST and other members of the task group. Based on this input, combined with a broader industry survey and internal discussion, the task group is making the following recommendations:

Recommendation 1. This task group reaffirms the NRC 1 Recommendation in the report "Network Reliability: A Report to the Nation", dated June, 1993 to continue the IITP cooperative industry relationships. The interconnection management test coordination processes should be institutionalized to permit continual evolution to address national network testing requirements.

Recommendation 2. The existing industry fora (e.g., ATIS-Network Operations Forum, CTIA-Advisory Group for Network Issues) should continue to be used proactively by existing and new service providers and manufacturers for recommending and planning network interoperability testing to ensure service compatibility and reliability across common interfaces.

Recommendation 3. The existing IITP (Inter-network Interoperability Test Plan) program should evolve as the basis of the more generalized IITC function. The present focus on interoperability vulnerabilities in the signaling networks should continue, but the focus should also be broadened to consider other high risk and critical interfaces resulting from the introduction of increased network interconnections and new technologies. (This recommendation is not meant to preclude the obvious need for industry-specific or technology-specific testing where there is no logical reason for IITC nationally coordinated testing.)

Recommendation 4. Once the IITC is operational, manufacturers and service providers will participate in the management and conduct of ongoing nationally coordinated interconnection testing.

Recommendation 5. The telecommunications industry should fund and manage the IITC. (See Chart #2, National Interoperability Test Management and Section 7.5.) A Steering Committee will be staffed by industry executive volunteers, as outlined in Recommendation 8 of this section, to oversee this organization.

Recommendation 6. The IITC should be made a financially self-supporting organization within the Alliance for Telecommunications Industry Solutions (ATIS) business structure, at least initially and be similar to the ATIS method now used for the Committee T1 and SONET Interoperability Forum (SIF) groups. ATIS administrative costs would be covered by a portion of the annual fees as outlined in Recommendation 7 of this section.

Recommendation 7. A mandatory annual fee should be collected from telecommunications carriers and equipment manufacturers to support the interoperability test coordination function. (See Sections 7.5.1 and 7.5.2 for the detailed funding and reporting presentation.) IITC participation should be mandatory for the service providers and manufacturers.

Recommendation 8. The telecommunications industry associations should identify technical management representatives selected by their boards of directors or engineering committees to serve on a steering committee that would manage the IITC financial requirements, set IITC policy, prioritize testing activities and provide overall management guidance of this industry-wide program.

Recommendation 9. Bellcore and the industry organizations should continue their present responsibilities and financial support for the applicable IITP testing and coordination until the new IITC function is operational. (See also Section 1.1.7)

Recommendation 10. The test coordination funding issue is believed to be one of several potential industry-wide initiatives driven by the evolving competitive environment. Therefore, the FCC should consider a more appropriate long-term method of IITC funding in the context of other additional industry funding requirements, e.g., NANPA administration, that will surface from increased network interconnection, if the recommended methods do not provide adequate funding.

Recommendation 11. Based on approval of this plan, the NRC Chairman is requested to initiate the appropriate IITC formation processes necessary to establish the organization.

A number of management issues were of concern to the task group. They included the need for a stable funding mechanism that is relatively easy to administer, a mechanism that allocates the cost burden equitably among those companies benefiting from the test results and a general knowledge of the total funding needed that is sufficient to conduct the necessary nationally coordinated tests. The task group recommendations for the organizational structure and principles of business conduct represent the best alternatives of those considered. Ultimately however, these issues are believed best managed by the Steering Committee and should be among their first responsibilities to validate. These issues are presented more fully in the other paragraphs of Section 7.

7.3 *SCOPE OF WORK ON INTEROPERABILITY TESTING/FUNDING*

The goal of the task group's work was extended beyond the specific charge to recommend an IITP funding method. This report not only recommends a funding method, but it also outlines a functional management structure that will continue present inter-network interoperability development and testing requirements and also allow evolution to address future network interconnection requirements as they evolve.

The current IITP process may be viewed as a model for the more generalized IITC function recommended in this report. In IITP, industry members (service providers and manufacturers) voluntarily develop test plans, test scripts and test network configurations. They also provide their own facilities/equipment and human resources for cooperative test execution. Bellcore, today funded solely by the RBOCs, provides a facility interconnection hub for testing, overall coordination for test network set-up and execution and administrative support for the IITP. However, the types of roles like those currently provided by Bellcore should be funded more uniformly across the industry.

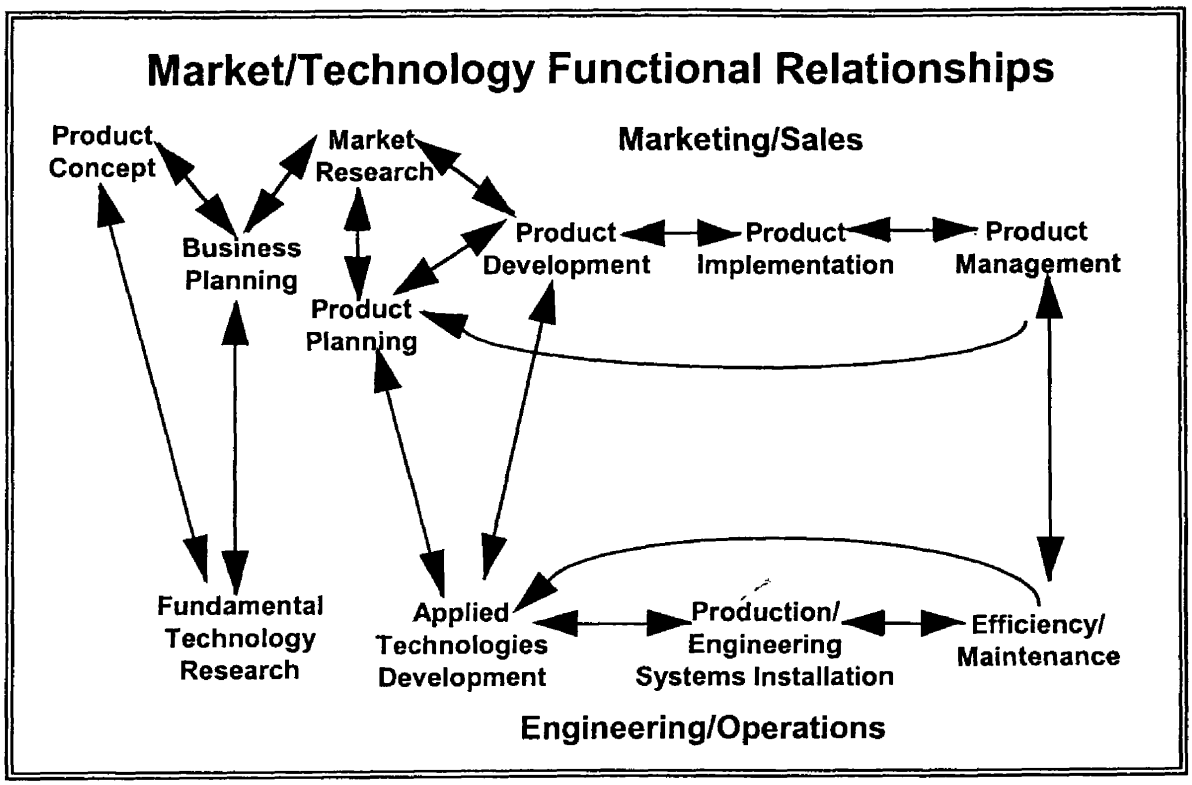
7.3.1. *MARKET/TECHNOLOGY FUNCTIONAL RELATIONSHIPS*

Although the FCC and the telecommunications industry have identified interoperability testing as a key component of sustained network reliability, it is only one of the critical steps necessary in the process of successfully creating and deploying any new component of the national telecommunications network. It is helpful to place interoperability testing in perspective, as it is only one of many tasks to accomplish in deploying a network capability.

The following generic chart depicts the continual interaction and progression of activities between marketing and engineering groups to conceive and deploy a new product and manage it over its life cycle. Reading from left to

right in chart #1 demonstrates one way this could be accomplished. Notice that all lines of flow are two-way, i.e. interactive, except two. This is indicative of the departmental interplay within companies. Any two telecommunications companies who intend to interconnect will experience the same interaction, albeit with business developers replacing marketers, but probably the same engineering groups.

Chart #1



7.3.2. *STEPS TO ESTABLISH INTERCONNECTIONS BETWEEN COMPANIES*

Expanding on the Production/Engineering Systems Installation portion of the Chart #1, the four steps outlined below are necessary before any successful system deployment can be expected.

Step 1. System Design Requirement (Testing for alignment between the system design and available feature expectations. Typically, this is a paperwork exercise at this point.)

Step 2. Application Development (Pre-production testing against benchmark functional/feature criteria)

Step 3. System Deployment (Pre- in-service systems inter-operability testing against benchmark operational criteria to ensure overall compatibility)

Step 4. System Operation Testing, in general, is required before successfully moving from one step to the next in the process. When successfully accomplished, each subsequent step is more assured of success.

When applied to a business arrangement between two or more companies who must develop an interconnection between their networks, the above steps manifest themselves as follows:

Note: Three cases are possible: Both networks already exist, both networks are new or one is new and the other already exists.

Testing for alignment between the system design and available feature expectations: This is the first opportunity for interfacing companies to bring together, compare and resolve differing technical design approaches and develop common feature performance standards and expectations. Results of this work are incorporated in the application development of the systems that are to inter-operate. (At this point, only paper designs are available for comparison to expectations.)

Testing against benchmark functional/feature criteria: Testing interconnected networks at this phase is accomplished between vendor and/or service provider testbeds, an environment where conformance to industry standards and interoperability conventions can be validated without jeopardizing existing customers and where feature functionality is tested against industry network design expectations. This testing involves hardware and software design, capacity capability determination, fault tolerance performance, management interface systems, and operations, administration and maintenance provisions.

Interoperability testing against benchmark operational criteria is where the cooperative relationship between the new network and existing network service providers is most evident. This is the last opportunity to functionally test the interfacing components and ensure proper integrated performance before field installation and "turn-up." This very controlled testing must answer the question, "Will a network service provider's hardware, software and signaling protocols inter-work at all levels in steady state, error and overload conditions with no foreseen catastrophic failures to the network service providers comprising the Public Switched Telecommunications Network?" Usually, this testing phase occurs between new network provider units at testbed sites, or where the pre-operational equipment is installed and the existing network providers' already proven testbed systems. (As experience and expertise grows and installed equipment matures, more of the interoperability testing occurs between field locations of the network providers, by temporarily and carefully partitioning the incumbent's on-line equipment, thereby restricting access to the national network until operational tests are completed and performance history is established satisfactorily.)

7.3.3. *LESSONS LEARNED*

Participation in the industry standards development teams is of great benefit to any applications developer/service provider. However, conformance to standards does not automatically ensure interoperability when it comes to interconnected systems, nor does standards compliance imply that competing carriers' systems will always operate in the exact same way. What the interoperability testing does ensure is the accommodation of a permissible way of operation at common points of interface. (Example: Two competing IXCs with unique network protocol options interface to one LEC.) In addition to standards development issues, the telecommunications industry also operates

fora concerned with inter-company network systems and operations issues that are equally critical to network reliability. (See Section 6.)

As an increasing number of competitive service providers interconnect to participate in the telecommunications market, there will be a corresponding increase in the number of interfaces that must be managed. In this NRC task group, three interfaces were identified as potentially critical to reliable interconnections: information channel, signaling channel and OAM&P channel interfaces. All three logical channels are transported by a physical channel(s). As these channels affect network reliability, the logical signaling channel and the physical channel carrying all information, i.e., signaling, OAM&P and information yielded the greatest degree of industry concern.

The required and beneficial tests between network signaling systems may include several types of testing. If service providers intend to connect ISUP (ISDN User Part) protocol signaling channels between voice message switches, TCAP (SS7 Transaction Capability Application Part) signaling channels to databases, or linkages to or between STPs (Signal Transfer Point), then test and acceptance arrangements between each combination of the interconnecting network service providers are necessary. This may be accomplished using a manufacturer's personnel and testbed facilities, properly equipped third party facilities, or the service providers' own laboratories. In any event, there are agreements to negotiate before connecting with each of the network providers' testbeds and ultimately between the operational networks.

The expressed industry concern for the physical channel reliability is traditional, because without it, there are no connections. It is important to the service provider, as the established connection between circuit end points is well documented and practiced in design, deployment and service maintenance. Industry efforts to maintain and improve network reliability are well documented by Task Group I of the NRC (Network Reliability Council.) Please refer to the reports of the ATIS Network Reliability Steering Committee.

As an ongoing concern for a sustainable interoperable network testing capability, there are continual changes in network software and hardware that require tests before "going live" on the national network. So, establishing a presence as a network service provider carries an ongoing responsibility thereafter to maintain and evolve network performance to accommodate new features and functionality of all interconnected network service providers.

The present IITP program provides the industry with several benefits, including a unique penalty-free testbed for performing cooperative stress-to-failure testing. This program is unique among wireline service providers and manufacturers. Data collected via the NRC survey indicate stress-to-failure testing is currently not done by other than wireline service providers and the associated manufacturers.

Overall, a major benefit of interoperability testing is the ability to test multi-manufacturer system compatibilities and stress network components, arranged in a system configuration, without service penalty or compromising the integrity of the national network.

7.3.4. *INTEGRATING CURRENT AND NEW NETWORK PROVIDERS*

As a generic requirement, business and technical arrangements must be negotiated between interfacing network owners before any interconnection will be permitted. Having knowledgeable and experienced technical resources on both sides of this arrangement will allow more equity in the relationship and probably allow more flexibility in managing through the pre-service test plans.

Existing competitive network providers will offer a number of ways for new service providers to accomplish the interconnection testing required. It is recommended that all network providers join industry groups to establish the broad technical awareness and working relationships required for interoperability, but the business arrangement aspects of that interoperability are left to the interfacing companies to determine.

In Section 7.1 concerning Industry Standards Development Process Assessment, a diagram of the standards development process describes the cooperative industry efforts that parallel Chart #1. Further, industry forums are working common issues of concern necessary to ensure not only network interoperability, but also customer account

management and operational support systems interface compatibilities. Both of these methods of participation are open to interested company participants.

7.4 *PURPOSE AND BENEFITS OF THIRD PARTY INTEROPERABILITY COORDINATION*

The needs satisfied by third-party test coordination are:

- Protection of company-specific proprietary information while enabling the identification of national network service problems and improvement opportunities
- Management of the performance of interoperability tests that have been shown to have national network value and importance
- Conduct of portions of interoperability test plans that are most cost-effectively accomplished from a single location
- Synchronization of test data collection for analysis and reports

Where third-party testing and coordination is actually needed, a properly equipped and staffed national facility is required. As observed from industry survey data, the task group agrees with the industry view that funding for this national facility should be shared among the recipients benefiting from the knowledge obtained from the network interconnection testing. Benefits accrue to the industry participants by providing:

- Advanced knowledge of interoperability problems, solutions and operating recommendations
- Test report material and functional test documentation
- Interoperability status reports
- Opportunities to contribute/participate in the process (direct knowledge gained)
- Evidence of good faith efforts to prevent a major service outage, if one actually does occur
- The telecommunications industry with a self-monitoring capability
- The industry with an inter-connected standby testbed network for diagnosis of systemic problems

Chart #2 describes the proposed organizational relationships to manage the national inter-network interoperability test coordination (IITC) function. Note, the coordination function may be carried out by one or a combination of several qualified physical entities, selected as appropriate by the Steering Committee to meet test coordination requirements.

7.5. *FUNDING AND MANAGEMENT*

Management/funding of the interoperability testing coordination function can be accomplished in a number of ways. Factors to consider include:

- The present and future benefit to the industry of network provider and manufacturer voluntary contributions of facility testbeds and skilled human resources

- The expected maturation of the equipment, human resources and industry players which will create, reduce, alter, or eliminate the need for various types of third-party test parameters to assess the value received in comparison to the actual coordinated testing accomplished

- The test coordination funding system needs to provide financial stability to recognize the continuing nature of interoperability test requirements. The expected set of interconnected and geographically disbursed testbed systems are not easily assembled or disassembled to follow sporadic testing programs or reactionary test requirements

- The funding system must be easily administered and share costs equitably among those benefiting from the test plans

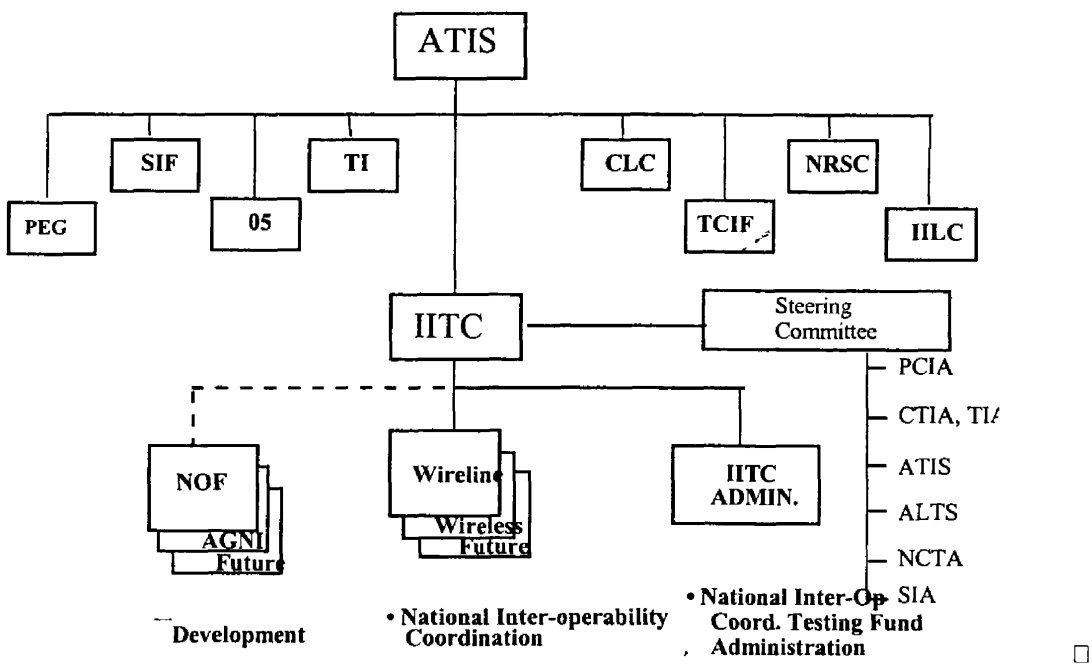
Based on the industry's general sense of responsibility to provide a highly reliable national network infrastructure, an IITC fee structure would be determined and payments contributed to an industry-led organization that will manage

and fund centralized interconnection test coordination. Since the ATIS (Alliance for Telecommunications Industry Solutions) industry standards and forums organization is not affiliated with any trade association and has open membership opportunities, ATIS is recommended to provide an "organizational sponsoring home" for the interoperability testing activities. Chart #2 depicts the organizational structure to manage this function.

A suggested set of guiding management principles for the IITC should include:

- A requirement for members to actively support and participate in the testing functions since its work is in the interest of the public
- A requirement that all service providers and equipment manufacturers financially support the IITC
- A requirement for the IITC to maintain financial self-sufficiency
- A requirement to provide an equitable fee structure for its members
- A requirement to provide equitable membership representation for IITC management oversight
- A stable funding mechanism to ensure availability and readiness of interconnected test coordination facilities

Chart #2



The IITC-controlled organizational elements are the two functions to be funded by the annual fees.

If the recommendations from this report are accepted in early 1996, it may be possible to establish the IITC and have it operationally ready to assume its responsibilities in 1997. This will require timely decisions and direction by the NRC and ATIS. The recommendation of the task group is for 1996 to be a transition period to create the IITC and develop the functional capabilties for full operation in 1997. To accomplish these goals, the organization and fee structure must be in place and collections begun by mid-year, 1996.

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7.5.1. *SUGGESTED RESPONSIBILITIES AND ORGANIZATIONAL ELEMENTS*

ATIS

- Solicit participation from industry associations to populate the Steering Committee and Requirements Development functions
- Provide administrative/facilitation support for the IITC management function
- Act as the legal entity for contracts that may be required for test coordination.
- Perform the interoperability test fund administration function described below

National Interoperability Test Coordination Function

This function performs the inter-network interoperability test coordination (IITC) and is the second of two functions funded by the annual fees. A number of test coordination entities could be established depending on the technical facilities and human resource expertise required. (Examples: Bellcore currently performs this responsibility for the SS7 ISUP wireline test coordination activities and the CTIA/AGNI coordinates IS-41 interoperability testing.)

- Project manage the tests specified by the Requirements group
- Perform portions of a test plan appropriate to conduct at a central location
- Collect, aggregate, partition and distribute data to appropriate test participants
- Participate in the data analysis and report generation. Conduct follow-up to ensure corrective action where needed
- Submit financial budget requirements through the IITC Director for Steering Committee approval

This function could also include, as appropriate, other centralized functions similar to today's "hub function" for IITP testing.

IITC Steering Committee

A voluntary industry Steering Committee selected from the ATIS, CTIA/TIA, PCIA, NCTA, SIA, ALTS board members and others as appropriate, would be established to oversee the management of the national test coordination responsibility. The steering committee would be charged with assessing the need and opportunity for nationally coordinated tests, approving test plan initiatives and managing the funds to accomplish these tests. Thus far, Bellcore and CTIA/AGNI possess the experience in conducting these types of test plans and there are valuable lessons to learn from these two organizations. This steering committee would be charged with assessing cross-industry testing needs for the future and to determine the best course of action to accommodate the requirements. Suggested responsibilities include:

- Ensure the value of the nationally coordinated testing is commensurate with the costs to support it
- Financial policy management
- IITC Directorship management

IITC Directorship

This position is responsible for the day-to-day management of the IITC. This position would be charged to,

- carry out the Steering Committee policies
- develop and manage the resources dedicated to the conduct of IITC business
- solicit and administer memberships in the IITC
- report on the financial and membership status of the IITC
- assess and report activities and actions to the respective federal agencies and associations
- solicit and select the appropriate entity or entities to perform the test coordination function based on requirements and plans

This is one of two functions funded by membership fees.

Requirements Development: Identification/ Specifications

The current organizations of ALTS, NCTA, PCIA, CTIA/TIA, SIA and ATIS would continue to identify and bring forward (to the respective Requirements Development groups) interoperability tests for coordination by a national test coordination facility.

- Test script development in response to industry requirements
- Determination of required interoperability tests that must utilize the national coordination function. (All other interoperability testing is assumed to not require any national coordination function.)

National Interoperability Membership and Test Fund Administration

This is envisioned as a responsibility within the IITC organization.

- Take direction from the IITC Director.
- Manage the collection and disbursement of the funds collected from the member companies.
- Develop administrative reports for the IITC organization.
- Manage the production and distribution of reports to the federal agencies, member companies and the industry.

This is the second of the two functions funded by the membership fees.

IITC Member Companies (Service Providers)

This group is composed of companies who see value in interoperability testing and are willing to support it with equipment, human and/or financial resources. (The membership motivation would include competitive forces to secure and maintain customers, provide high quality reliable service and demonstrate network performance to meet state and federal agency criteria.)

- Participate in the planning and conduct of recommended nationally coordinated interoperability test plans with appropriate resources and facilities
- Support the maintenance of the national coordination function (IITC) by sharing in the funding of that organization (see member fees in Section 7.5.2.)
- Participate in the data analysis and report generation. Conduct follow-up to ensure corrective action where needed

The present responsibilities and funding of Bellcore are recommended to continue for applicable IITP testing until the IITC organization is operational.

IITC Member Companies (Manufacturers)

Considering their interest in developing and selling high quality equipment and systems, switching equipment manufacturers offer their financial, technical and hardware/software resources to participate in required interoperability testing.

- Participate in the planning and execution of recommended nationally coordinated interoperability test plans with appropriate resources and facilities
- Support the costs of maintaining the national test coordination function (IITC) by sharing in the funding of that organization (see Section 7.5.2.)
- Participate in the data analysis and report generation. Conduct follow-up to ensure corrective action where needed

7.5.2. *FUNDING AND REPORTING RECOMMENDATION*

Beneficiaries of the testing were found to be in two classes, i.e., equipment manufacturers and service providers. Equipment manufacturers are fundamentally linked to interoperability issues, but only benefit from testing if they participate in those tests. Service providers receive benefit even if they do not participate directly, as long as the manufacturers they utilize participate. However, service providers accrue additional benefit when they do participate, by learning how their implementations interact with others in stress-to-failure conditions. Several funding alternatives were studied to gain insight into the issues of who pays, how much each member pays and their willingness to pay and to understand the administrative issues to comply with the guiding principles of section 7.5. As an illustration, the following chart describes a two-tier fee structure the task group believes will accumulate the $3.0 - $3.5 million Bellcore estimates it now spends annually for IITP coordination activities.

Company	Fee
Service Providers (> $5 million operating revenues)	$10,000
Service Providers ($1-5 million operating revenues)	$ 2,000
Manufacturers (> $100 million sales revenues)	$20,000
Manufacturers ($50-100 million sales revenues)	$ 2,000

The task group recognizes there are small companies that are inappropriate to consider for IITP funding support. Service providers with less than $1 million operating revenues and equipment providers with less than $50 million sales revenues are suggested exclusion levels.

Reporting requirements would include:

- The IITC will provide verification of IITC membership and maintain a list of current members in and out of good financial standing.
- The NRSC will publish the current IITC member list and the funding adequacy in its annual report to the FCC, as a leading indicator of network reliability.
- The IITC will invoice service providers and equipment providers, initially identified from FCC and industry association lists of carriers and manufacturers.
- 1996 will be a transitional year from the existing methods of funding nationally coordinated interoperability testing. Fees for IITC will be collected during 1996, based on 1995 reported revenues. The IITC will begin operation in 1997.

7.6 CONCLUSION

The current IITP is a unique cooperative arrangement among the telecommunications industry equipment suppliers and service providers. It serves a vital need to permit off-line stress testing across multiple network boundaries. Although not specifically referenced in this report, the achievements of the IITP function to identify and resolve actual and potential network interconnection problems are well documented.

The present funding of national SS7 ISUP test coordination has come from the RBOCs via Bellcore. The recommendation of this task group to expand the program into a function called IITC provides a method to spread the costs of future interoperability test coordination among all those equipment suppliers and network service providers benefiting from the knowledge gained. With increasing deployment of competitive networks and new technologies, the potential service reliability issues grow. However, the mandatory cooperation among telecommunications industry competitors to ensure overall reliable network performance is seen to benefit all market segments and the national public interests. To achieve this industry cooperation, the industry should be held responsible for finalizing the funding and management issues.

8. METRICS

8.1 PROPOSED METRICS

While there are several methods of measuring the success and implementation of recommendations offered in this document - such as percentage of template usage, growth of standards and fora body membership and expansion of bilateral agreement execution - these are soft measures of established processes. The task group concluded the best measure of success would be actual network performance metrics, as currently tracked and reported to the FCC. The present FCC reporting, in addition to following the principles of RQMS as defined in Bellcore GR929, were considered more than adequate to monitor overall network performance. One specific suggestion concerning the IITC organization is to report funding adequacy and membership data to the public via the NRSC Annual Report as a leading indicator of network reliability.

While investigating network reliability concerns created by increased interconnection among multiple service providers, the task group suggests PSTN integrity may well be supported by competitive pressures through service substitution in tomorrow's telecommunications marketplace. Consumer expectations for reliable and continuous telecommunications services as a prerequisite market requirement will drive new entrants to meet or exceed service levels of incumbents.

Looking to the future, the definition of continuous telecommunications service is expected to gradually evolve as overlay and alternate networks emerge and integrate to develop a new public network of networks. As more and more subscribers gain multiple paths to access essential services, the need for continuous availability on any given network may change. However, developing this evolution was considered outside the scope of the task group study.

9. PATH FORWARD

9.1 SUSTAINING RECOMMENDATIONS

1. Although the emergence of ATM switching and SONET transport interoperability are already topics of industry interaction, future inter-company and nationally coordinated testing is expected. The IITC is the logical organization to manage the tests determined necessary by the various industry fora.

2. As satellite operators begin to offer switched telecommunications voice and data services, the processes outlined by this report's templates will become valuable tools for reliable interconnection planning and execution. The interoperability issues will surface as challenges to overcome in industry fora. The bilateral agreement template will become the vehicle for addressing a wide range of interconnection issues with the incumbent carriers.

3. Cable television operators offering telecommunications services will have the same learning experiences as the satellite operators. This report represents a good informational source for them to gain an understanding of the issues associated with network interconnection reliability.

This report is intended to go beyond the specific solutions needed for today's issues. The processes presented are generally applicable to envisioned industry needs for interconnection and for nationally coordinated inter-network testing.

10. ACKNOWLEDGMENTS

Several of the team member companies generously supported informational needs with presentations and data from subject matter experts. In the group's monthly meetings, the "ad hoc people" brought in by the team members and their alternate representatives in attendance added significantly to the discussion topics. The following non-members attended several meetings to support the study effort and are gratefully acknowledged.

John Sweitzer, NORTEL
Dr. Yi Shen, MCI
Bill Blatt, NORTEL
Dan Nielsen, U S West
Jim Joeger, MCI

Although the one-time participants are not named here, we appreciate the contributions from all of them.

Each task group of the NRC II was assigned a mentor to provide leadership during the work effort. Ross Ireland, Pacific Bell, was this focus group's mentor and we appreciate his guidance.

Not listed as a team member is Rob Hausman from Bellcore. He was responsible for the questionnaire distribution, data aggregation of the responses and presentation of the results to the task group. His contribution was of significant benefit to the overall task effort. Matthew Orr from Sprint provided helpful editorial and report formatting expertise to improve the presentation of this report.

As a further acknowledgment, each of the companies that arranged and funded the monthly meeting locations and supported the attendance of company's representatives is gratefully appreciated. Because of well qualified and supportive people who participated, the nearly year-long task has yielded a useful product and a new set of acquaintances to support the evolving network infrastructure.

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11. References and Glossary

11.1 Reference Document List

1. ANSI-OAM&P (T1.115) -- SS7 Monitoring and Measurements

2. Bellcore SR-TSV-002275 -- BOC Notes on the LEC Networks. Available from the Bellcore document coordinator.

3. Committee T1 Standards:

   T1.101 Digital Network Synchronization
   T1.102 Digital Hierarchy - Electrical Interface
   T1.105 SONET Interface Standard
   T1.107 Digital Hierarchy Formats Specification
   T1.110 SS7, General Information
   T1.111 SS7, Message Transfer Part (MTP)
   T1.112 SS7, Signaling Connection Control Part (SCCP)
   T1.113 SS7, ISDN User Part (ISUP)
   T1.114 SS7, Transaction Capabilities Application Part (TCAP)
   T1.115 SS7, Monitoring & Measurements
   T1.116 SS7, Operations, Maintenance & Administration Part (OMAP)

4. FR 64 -- 1995 LSSGR (Local Switching System Generic Requirements) Describes the content and structure of the 1995 LSSGR document set. Available from the Bellcore document coordinator.

5. GR929 -- Generic Requirements 929. Reliability and Quality Measurements for Telecommunications Systems. Available from the Bellcore document coordinator.

6. The Local Exchange Routing Guide (LERG) is an industry recognized document used to provide network configuration and NXX/NPA code activation/change information for the purpose of routing calls within and between networks. The LERG is available from Bellcore-Traffic Routing Administration.

7. Network Reliability: A Report To The Nation. Issued by the NRC I. (copies available from the ATIS 1200 'G' Street, N.W. Suite 500, Washington, D.C. 20005, telephone 202-628-6380)

8. NOF ISSUE 229 -- OAM&P Issues of Interconnected LEC Networks

9. TRNPL 145 -- "Compatibility Information for Interconnection of a Wireless Services Provider and a Local Exchange Carrier Network," Issue 2, December, 1993.

10. TR374 -- See FR64

11. TR246 -- Bellcore Specification of Signaling System Number 7 (SS7). Contains proposed generic requirements specifying the SS7 protocol and architecture. Available from the Bellcore document coordinator. 1,838 pages.

12. TR905 -- Common Channel Signaling (CCS) network interface specification supporting network interconnection. States Bellcore's preliminary view of proposed generic requirements stating the required interfaces between the CCS architectures utilizing the Signaling System 7 protocol deployed by the Bellcore client companies. Available from the Bellcore document coordinator.

13. TR 1149 -- OSSGR (Operational Support System Generic Requirements) Section 10. Details the information contained in the Transaction Capabilities Part (TCAP) messages exchanged between an operator services

system and the Line Information Database (LIDB) or billing validation database. Available from the Bellcore document coordinator. 108 pages.

14. NOF Reference Document -- Available in paper or diskette form from the NOF Secretary. (Contact ATIS for this information.)

15. TIA References

TR45	Network Reference Model
TR46	Network Reference Model
IS-41 Rev. C	"Cellular Radio Telecommunications Inter system Operations.
IS-93 December, 1993	"Cellular Radio Telecommunications Ai-Di Interfaces Standard", dated
IS-53	"Cellular Features Description," dated August, 1991

16. CTIA "Seamless Roaming Implementation Guide (SRIG)," dated January, 1995 (Contact the CTIA for this document.)

###

11.2 Glossary

A/D LINK Analog to Digital Link

ABS Automated Billing System, or Alternate Billing System

AGNI Advisory Group for Network Issues (a CTIA Organization)

AIN Advanced Intelligent Network

ALTS Association for Local Telecommunications Services

AMPS Advanced Mobile Phone Service

AT Access Tandem, a switching point in a LEC network

ATIS Alliance for Telecommunications Industry Solutions

ATM Asynchronous Transfer Mode (a cell-based data switch technology)

Bilateral Agreement - An agreement developed between two entities for the purpose of securing commitments to perform equally beneficial acts or in equally beneficial manners concerning the design, performance and reliability of interfacing telecommunications networks.

BOC Bell Operating Company

BSC Base Station Controller, associated with cellular telecom networks to control access and utilization of the radio frequency spectrum among the subscribers.

CAP Competitive Access Provider

CCIS (Common Channel Inter-office Signaling) Out-of-band signaling network deployed mainly by AT&T in the 1970's. This system pre-dated SS7.

CCS Common Channel Signaling. Related terms: SS7

CDMA Code Division Multiple Access

CLC Carrier Liaison Committee. One of the sponsored committees of the Alliance for Telecommunications Industry Solutions (ATIS). The CLC has three subgroups: Network Operations Forum, Industry Carriers Compatibility Forum, Ordering and Billing Forum.

CLEC Competitive Local Exchange Carrier

Committee T1 - One of the sponsored committees of the Alliance for Telecommunications Industry Solutions (ATIS). It produces standards for the telecommunications industry.

Control channel - A means of interconnecting networks for the purpose of conveying network control information.

Critical Interconnection - A network interconnection is considered to be critical if messages or events, or the absence of messages or events, presented to an interface could reasonably cause a serious impairment at or beyond that interface.

CTIA Cellular Telecommunications Industry Association.

DB Database, a network element providing information to validate and route calls in a telecommunications network

Electronic Bonding - The application-to-application communications between telecommunications jurisdictions as they are defined in Telecommunications Management Network (TMN).

EO End Office, the first/last point of network switching intelligence in a voice network

Emergency Resources - Those resources that are planned and/or reserved for extraordinary service restoral requirements. The resources may be human, tools, power equipment, parts, production capacity and materials necessary for the accelerated restoral of the products and/or services delivered normally by a telecommunications company.

ESP Enhanced Service Provider.

Fault migration - A fault originating in one system that spreads across the network interface to cause fault(s) in another system.

GEO Geostationary Earth Orbit. - A satellite orbit located in the earth's equatorial plane (approximately 22,300 mi.). A satellite in this orbit appears to remain stationary with respect to a point on earth.

GHz Giga-Hertz (one billion Hertz), a measure of radio frequency rate

GSM Global System for Mobile Communications. Previously called Group Special Mobile. European standard cellular telecommunications

IC Inter-exchange Carrier

ICCF Industry Carriers Compatibility Forum, sponsored by ATIS

IILC Information Industry Liaison Committee. One of the sponsored committees of the Alliance for Telecommunications Industry Solutions (ATIS). The IILC manages industry interests for Open Network Architectures (ONA), the ONA User Guide and evolving network services architectures.

IITP **Inter-network Interoperability Test Plan** - A plan administered by the NOF to identify, develop and carry out nationally coordinated testing of the SS7 network. The test network is composed of network provider and manufacturer testbed equipment interconnected by network provider transport facilities through Bellcore for test configuration and coordination.

IITG **Increased Interconnection Task Group** - One of five task groups commissioned by the Network Reliability Council of the FCC to conduct studies and make recommendations concerning the national network reliability issues generated by an increasing number of interconnected network service providers.

Inter-LATA A term established at the time of Bell System divestiture to geographically differentiate the business interests of Local Exchange Carriers (LECs) and Long Distance Carriers (IXCs). The term is also used to describe telecommunications traffic transiting LATA boundaries.

IS-41 Interim Standard 41. A signaling system developed by the cellular telephone industry for inter system control messages. Packaged for transmission over the SS7 network.

ISDN Integrated Services Digital Network

ISUP ISDN User Part

ITU-T International Telecommunication Union - Telecommunications. The international telecommunications standards management body headquartered in Geneva, Switzerland.

IXC Inter-exchange Carrier

LATA Local Access & Transport Area. A geographic area defined at the time of the Bell System divestiture to prescribe the business domain of the Local Exchange Carriers

LEC Local Exchange Carrier

LEO Low Earth Orbit. - A satellite orbit in any plane at an altitude above the earth of a few hundred to a few thousand miles. Orbits are usually inclined to the equator and provide repeated access to areas within the satellite footprint.

LIDB Line Information Data Base. A repository used for call validation and accounting data needed to bill long distance calls.

Link Budget - Engineering assessment of the ability to provide connectivity between a satellite and an earth station. The budget includes RF power, antenna efficiencies, transmission losses etc.

MAP Mobile Application Part, part of the SS7 message protocol

MHz Mega-Hertz (one million Hertz). A measure of radio frequency rate.

MEO Medium Earth Orbit. - A satellite orbit in any plane at an altitude above the earth of several thousand miles. Orbit not precisely defined but is between LEO and GEO.

MF Multi-frequency. A method of switched circuit signaling using a combination of audible tones.

MSC Mobile Switching Center, associated with cellular access services

MSCID MSC Identification

MTP Message Transfer Part, part of the SS7 message protocol

MTTR Mean Time To Repair

Mutual aid Agreements - Agreements between telecommunications companies in similar lines of business to share resources (human, tools, equipment, service capabilities) to effect the accelerated restoral of service caused by a disproportionate outage by a minority of the parties to the agreements.

NCTA National Cable Television Association. An association of cable television system owners/operators whose purpose is to coordinate, among other things, the technical issues facing this industry.

Network Reliability - (a) the ability of a network to maintain or restore an acceptable level of performance during network failures by applying various restoration techniques and (b) the mitigation or prevention of service outages from network failures by applying preventative techniques.

NOF Network Operations Forum. One of the CLC responsibilities as described under CLC. NOF conducts industry interest forums concerning telecommunications network management, SS7 testing, toll fraud protection and installation/test and maintenance of telecommunications systems.

NPRM Notice of Proposed Rule Making, Federal Government

NRC Network Reliability Council. A 35-member council established by the Federal Communications Commission in 1994 to study and recommend solutions to five tasks. Focus Groups I & V- Network Reliability Performance and Application of Best Practices; Focus Group II - Increased Interconnection, Focus Group III - Reliability Concerns Arising Out Of Changing Technologies, Focus Group IV - Essential Communications During Emergencies.

NRSC Network Reliability Steering Committee. A group managed by ATIS that periodically reports the status of the nation's network performance to the FCC.

NSEP Network Security/Emergency Preparedness, a government/industry cooperative effort to manage resources during national stress conditions.

NSTAC-CCS Task Force - National Security Telecommunications Advisory Committee - Common Channel Signaling Task Force

OAM&P Interface - Operations, Administration & Maintenance. In this context, the interconnection point between network entities where OAM&P information is provided/received and utilized for the management and /or control of interconnected networks.

OAM&P Operations Administration Maintenance & Provisioning

PBX Private Branch Exchange

PCIA Personal Communications Industry Association.

PCS Personal Communications System

Physical Interface - The point where two telecommunications systems/facilities interconnect. Usually, these are described by industry terms such as, copper and fiber and may be inferred by the capacity of the facility at the interface, e.g., DS-0, DS-1, DS-3 T-1, T-3, OC-1 2 and the like.

POTS Plain Old Telephone Service

PSTN Public Switched Telecommunications Network

PTS Public Telephone System

PUC Public Utility Commission

RBOC Regional Bell Operating Company

RF Radio Frequency - a term describing a portion of the electromagnetic spectrum applicable, in this context, to frequencies used for telecommunications

RQMS Reliability and Quality Measurement System

SIA Satellite Industry Association. - The national trade association that represents the U.S. commercial satellite industry.

Signaling Channel Interface - Commonly available in two varieties, in-band and out-of-band. Multi-frequency (MF) is an example of in-band signaling. SS7 is an example of out-of-band signaling. Used here to indicate an interface interconnection of the signaling systems between two network entities.

SMR Special Mobile Radio

SNMP Simplified Network Management Protocol

SNS Signaling Network Systems (a committee established by the first NRC)

SP Switching Point, associated with the voice switch interface to the SS7 signaling network

SRIG Seamless Roaming Implementation Guide (a CTIA publication)

SS7 (Signaling System 7) An out-of-band signaling system for telecommunications network similar to the international version called CCITT7. SS7 is the ANSI accredited version used in the United States.

STP (Signal Transfer Point) A specialized packet switching system used for out-of-band signal routing in telecommunications networks.

SW Switch, refers to a voice message switch in a telecom network

TCAP Transaction Capability Applications Part

TDMA Time Division Multiple Access

TIS Telecommunications Industry Standards. Committee Tl is the ANSI accredited standards body for the development of telecommunications industry standards in the United States.

TIA Telecommunications Industry Association. An association of telecommunications industry manufacturers whose purpose is to ensure the compatibility/interoperability of equipment manufactured.

Timer Values - Refers to optionable logic timing parameters requiring specification in a SS7 network of Signal Transfer Points (STP's) and SSP's for proper system operation.

TMN Telecommunications Management Network

TR Technical Requirement (as developed and issued by Bellcore). Now replaced by the GR (General Requirement).

TRS Telecommunications Relay Service

TT&C Telemetry, Tracking and Command. - Functions required to maintain the orbital position, attitude and desired operating status of an orbiting satellite.

TVRO Television Receive Only. - An earth antenna that is capable of receiving signals from a satellite in orbit but has no capability to transmit signals to the satellite.

User information channel interface - Refers to the bearer or payload channel in a telecommunications network and the interconnection point between network entities.

VSAT Very Small Aperture Terminal. - A satellite earth station that employs a small antenna, one to two meters in diameter, to both transmit and receive signals from a satellite in GEO. Used primarily in private communications networks.

WIF The Wireless Interconnection Forum meets semi-annually to discuss and resolve interconnection issues. The WIF is sponsored by the Southern Telecommunications Industry Association, PCIA and AMTA. For ISUP SS7, WIF has participated in joint activities with the wireline SS7 providers at the Network Operations Forum.

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12. FIGURES AND EXHIBITS

Figure 1:	Generic Interconnected PSTN Network
Figure 2:	TIA TR45 Network Reference Model
Figure 3:	TIA TR46 PCS Network Reference Model for 1,800 MHz
Exhibit 1:	T1 and TIA Focus and Organization
Exhibit 2:	Key Telecommunications-Related Standards Groups
Exhibit 3:	Improvements in the Committee T1 Standards Process
Exhibit 4:	Improvements in the TIA Standards Process
Exhibit 5:	Elements of Implementation Plan for the Year 2000 T1 Strategic Plan
Exhibit 6:	Description of an Example Standards Project Proposal
Exhibit 7:	Description of an Example Project Tracking Process
Exhibit 8:	Model Process for SS7 Network Interconnection
Exhibit 9:	Joint Technical Committee Verification and Validation Procedures

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Generic Interconnected PSTN Network

Signaling Channels

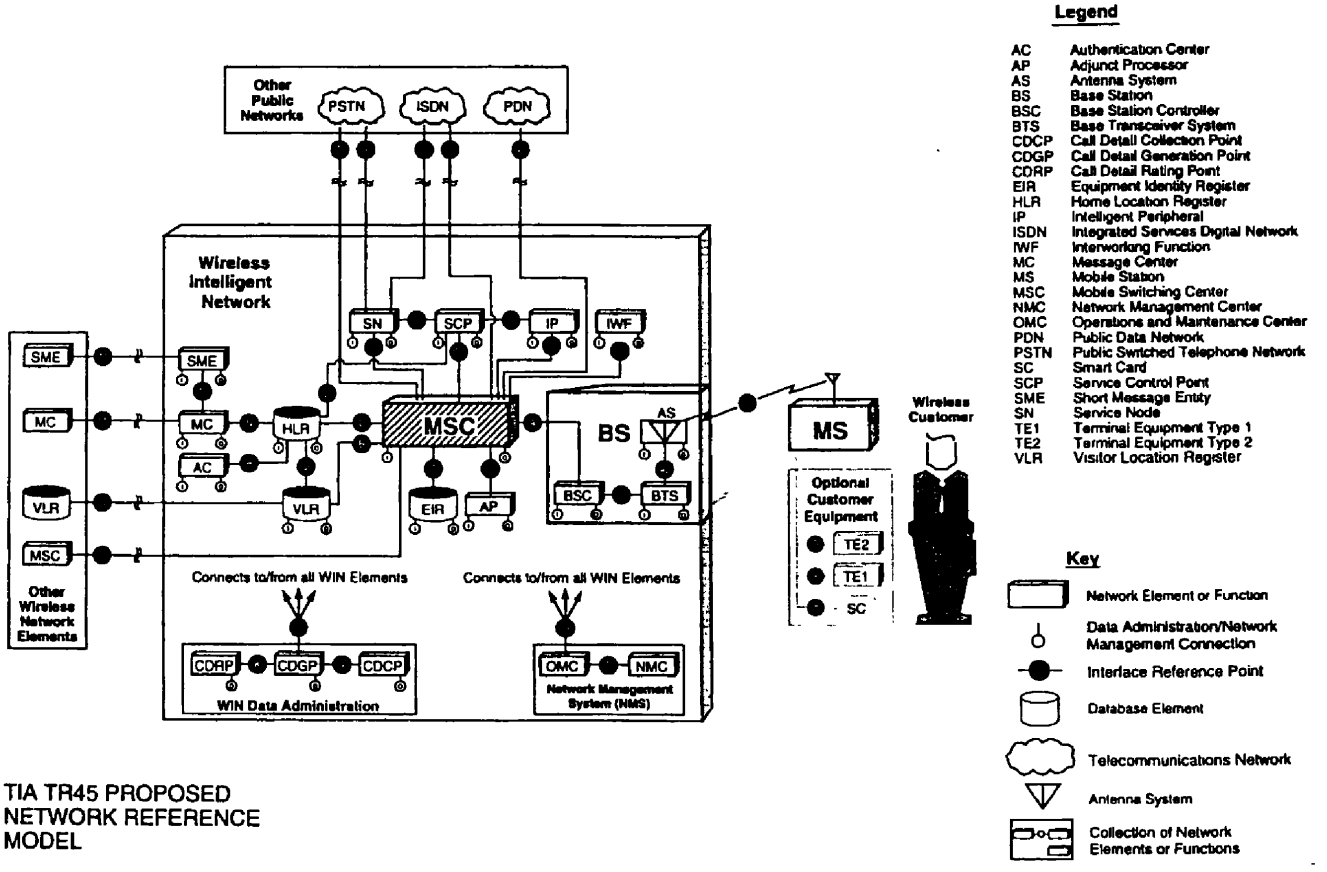
Information Channels

Legend

SECTION 12, FIGURE 2

TIA TR45 NETWORK REFERENCE MODEL

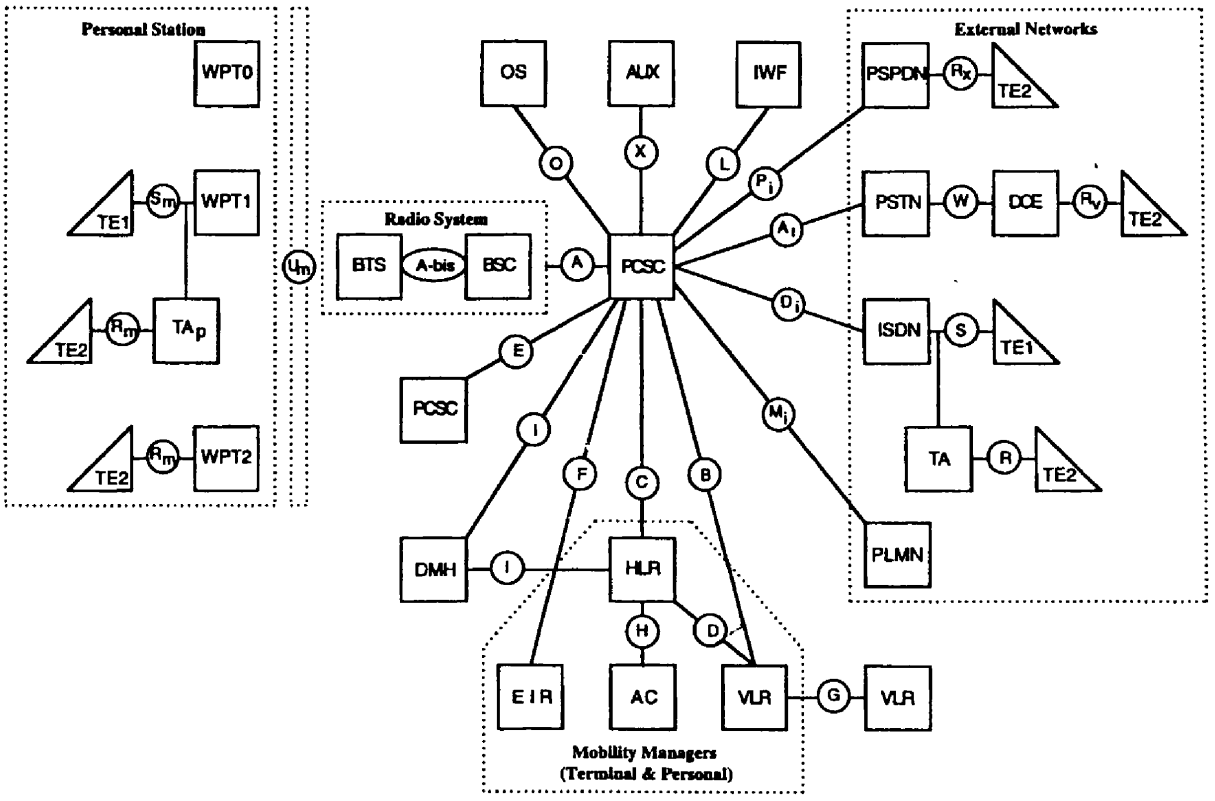
Wireless Intelligent Network Reference Model



TIA TR45 PROPOSED NETWORK REFERENCE MODEL

SECTION 12, FIGURE 3

TIA TR46 PCS Network Reference Model for 1,800 MHz



L

egend:

AC	Authentication Center
AUX	Auxiliary Services
BSC	Base Station Controller
BTS	Base Transceiver System
DMH	Data Message Handler
EIR	Equipment Identity Register
HLR	Home Location Register
ISDN	Integrated Services Digital Network
IWF	Interworking Function
OS	Operations Center
PCSC	Personal Communications Switching Center
PLMN	Public Land Mobile Network
PSDN	Packet Switched Public Data Network
PSTN	Public Switched Telecommunications Network
TA	Terminal Adapter
TE	Terminal Equipment
VLR	Visitor Location Register
WPT	Wireless Personal Termination

SECTION 12 EXHIBIT 1

T1 and TIA Focus and Organization

T1 Focus Areas for Strategic Plan

ATM/BISDN/ADSL
Intelligent network
SONET Common Channel Signaling (SS7)
Network Reliability /Survivability
Telecommunications Management Network (TMN)
Personal Communications
National Information Infrastructure/Global Information Infrastructure

T1 Technical Subcommittees

T1A1	Performance and Signal Processing
T1E1	Interfaces, Power and Protection of Networks
T1M1	Inter-network Operations, Administration, Maintenance and Provisioning
T1P1	Systems Engineering, Standards Planning and Program Management
T1S1	Services, Architecture and Signaling
T1X1	Digital Hierarchy and Synchronization

TIA Engineering Committees

TR-8	Landmobile Services
TR-14	Point-to-Point Communications Systems
TR-29	Facsimile Systems and Equipment
TR-30	Data Transmission systems and Equipment
TR-32	Personal Radio Equipment
TR-34	Satellite Equipment and Systems
TR-41	Telecommunications Equipment Requirements
TR-45	Mobile and Personal Communications Public 800 Standards
TR-46	Mobile and Personal Communications 1800
FO-2	Optical Communications
FO-2.6/FO-6.10	Fiber Optic Components, Systems, Quality Assessment & Reliability
FO-6	Fiber Optics

SECTION 12 EXHIBIT 2

Key Telecommunications-Related Standards Groups

	Key Areas of Standardization	Key Technologies/Focus Areas	Sponsor	Location	Contact (US) Phone Fax E-mail
Committee T1-Telecommunications **T1**	Telecom Network Interfaces; Interoperability	BISDN, SS7, PCS, IN, TMN, SONET, Multimedia; Network Reliability, NII/GII	Alliance for Telecommunications Industry Solutions (ATIS)	Suite 500 1200 G St. NW Washington,DC 20005	Alvin Lai 202 434-8829 202 347-7125
Telecommunications Industry Assoc. **TIA**	Telecom Equipment	PBXs, Telephones, Cellular, PCS, Fiber Systems, Satellite, Radio Systems	TIA	Suite 300 2500 Wilson Blvd. Arlington, VA 22201	Dan Bart 703 907-7700 703 907-7727 TIASTDS @aol.com
Society of Cable Telecommunications Engineers **SCTE**	Cable TV Systems, especially physical layer	Cable TV Components - cable, connectors, modulation	SCTE	669 Exton, PA 19341	Bill Riker 610 363-6888 610 363-5898
International Telecommunication Union - Telecommunications Sector **ITU-T**	Telecom	BISDN, SS7, FLMPTS, IN, TMN, SDH, Multi-media, Satellite, Fiber Systems, Radio systems, Broadcast Video	United Nations' ITU	U.S. State Dept 2201 C St NW Washington DC Geneva: ITU-T Place des Nations CH1211 Geneva 20 Switzerland	U.S. Earl Barbely 202 647-0197 202 647-7407 Geneva: Theo Irmer 41227305851
Committee X3 **X3**	Information Technology	Video, Imaging, Storage Media, Data Protocols	Information Technology Industry (ITI) Council	Suite 200 1250 I (Eye) Street NW Washington DC 20005	Jean-Paul Emard 202737-8888 202638-4922
Institute of Electrical and Electronics Engineers **IEEE**	Electrical and Electronics	Local Area Networks, Software Languages, Test and Measurements	IEEE	445 Hoes Lane Piscataway, NJ 08855	Judy Gorman 908 562-3820 908 562-1571 j.gorman@ ieee.org
Internet Engineering Task Force **IETF**	Internet	TCP/IP and its Uses to Transport Information -Telnet, FTP	Center for National Research Initiatives (CNRI)	Reston, VA	Steve Coya 703 620-8990 703 620-9913 scoya@ietf. cnri.reston.va. us

Satellite Broadcasting and Communica-tions Association **SBCA**	Satellite Communica-tions	Satellite Broadcast Equipment Earth Station Equipment	SBCA	Alexandria, VA	Ed Reinhart 703-448-9552
Satellite Industry Association **SIA**	Satellite Com-munications	Satellite Earth Station Equipment	SIA	Alexandria, VA	Clay Mowry 703-549-9697

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SECTION 12 EXHIBIT 3

Improvements in the Committee T1 Standards Process

Background

Committee T1 and the standards process, in general, are not perfect. Committee T1 has viewed the "quality process" as one of continuous improvement; a journey without end. The Committee T1 process does not limit the industry or T1 participants in developing timely, high quality standards. Standards leaders and participants, however, must not limit themselves by imposing unnecessary restrictions and need to remain open to ideas and processes that would streamline the standards development effort.

Committee T1's Quality Improvement Program includes an annual, informal workshop where processes and operations are reviewed, as well as a five-year strategic plan. This workshop is distinct from business meetings and provides a creative atmosphere for new ideas. This has proven effective, since many of the most recent improvements were developed as a result of the Leadership Workshop. The Five-Year Plan provides specific direction and includes an Implementation Plan that highlights specific actions to pursue.

Standards Development and Liaison

The pace of Committee T1 standards and technical report production has increased significantly. Some of the specific actions taken to achieve this so far include establishment of Technical Focus Areas, implementation of a T1 Bulletin Board System (TIBBS) and T1 training programs.

Technical Focus Areas

While there are 150 individual projects, committee T1 has identified eight areas of Technical Focus that are deemed critical to the future U.S. "network of networks" and are certain to be important elements of a national information infrastructure. These areas are highlighted in Exhibit 1. With the exception of the Network Survivability and SS7 Interconnection areas, these topics are supported by a number of global standards counterparts to Committee T1.

In each of the focus areas, Committee T1 pays special attention to building liaisons with other industry fora, user groups and organizations. This has become an important addition to the Standards Life Cycle. The NIUF, ATM Forum, Frame Relay Forum, NRC, etc. are just a few examples of the organizations with which linkages have been established and maintained.

Exhibit 2 describes many of the organizations where excellent interactions have been established.

Electronic Document Handling

Committee T1 believes that electronic document handling (EDH) is critical to the future of the standards process. T1BBS has dial up unrestricted access and offers File Transfer Protocol and self subscribing e-mail capabilities. There is a program to stimulate utilization of the system, although it is not currently a requirement. An award is presented to the company that has provided the most leadership on EDH. One PCS group meets monthly and handles more than 90 percent of their work through EDH capabilities.

Training Programs

A T1 Leadership Training Workshop is held annually for leaders at all levels within T1. The workshop includes reviews of all processes, procedures and legal issues and includes case studies and practical experience reviews for difficult problems. EDH seminars are held and Information Directors are named to assist individual subgroups in resolving their questions and issues.

Committee T1 Standards Approval Process

In 1993-94 Committee T1 conducted a successful one (1) year trial of parallel voting processes for T1 and TSC letter ballots. It is believed that this enhancement shortened the approval process by 3 to 6 months. This is now the normal mode of operation.

Publication

ANSI publishes Committee T1 standards and ATIS, the T1 Secretariat and sponsor, publishes Committee T1 Technical Reports. There was a lengthy process involved in getting these publications out. New processes are in place that save one to two months in publishing standards, without compromising the quality of the documents.

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SECTION 12 EXHIBIT 4

Improvements in the TIA Standards Process

The Telecommunications Industry Association (TIA) is accredited by the American National Standards Institute (ANSI) as a Standards Developing Organization (SDO) in the field of telecommunications. TIA's telecommunications standards-setting activities have been actively undertaken for over 50 years via TIA or one of its predecessors, such as the Electronic Industries Association (EIA) Information and Telecommunications Technologies Group. The more than 70 Engineering Committees and Subcommittees of TIA are supported by product-oriented divisions in areas such as Fiber Optics, Mobile and Personal Communications, Satellite Communications, Network Equipment and User Premises Equipment.

In the past two (2) years TIA has undertaken numerous activities to expand and enhance its Standards and Technology Department and speed up the development of TIA Standards:

- Additional human resources have been added and more are planned. Computer resources have been upgraded, including a state-of-the-art fiber optics Local Area Network (LAN) and direct connection into the Internet backbone.

- Expanded the use of electronic dissemination of information by bulletin board systems (BBS), Internet (including World Wide Web and e-mail) and broadcast facsimile.

- Undertook an updating of TIA's Engineering, Style and Scope Manuals to improve the standards process.

- Expanded joint and cooperative standards setting both domestically and internationally, with agreements with other SDOs such as Committee T1-Telecommunications (T1), the Canadian Standards Association (CSA), the European Telecommunications Standards Institute (ETSI), the Society of Cable Telecommunications Engineers (SCTE), as well as participating in international sectoral activities such as the Global Standards Collaboration (GSC), RAdio STandardization (RAST), International Telecommunication Union (ITU), International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), Future Advanced Mobile Universal Service (FAMOUS), InterAmerican Telecommunications Commission (CITEL) and the Consultative Committee Telecommunications (CCT), for which TIA is the USA Secretariat.

- Actively participated in National and Global Information Infrastructure (NII/GII) issues including co-sponsor of R&D Forum on NII; participated on the Steering Committee of the ANSI-sponsored Infrastructure Standards Panel (IISP), jointly published White Papers with EIA on NII and GII and organized three-day conference in Warsaw, "GII: Agenda for Cooperation in the East/Central European Region," and other fora activities directed to these NII/GII standards issues.

- Launched an Intelligent Transportation Systems (ITS) activity to support Intelligent Vehicle Highway Systems (IVHS) and other wide-area communications needs of this part of the nation's information infrastructure.

- Added as a member of the FCC's Network Reliability Council (NRC) and active participant on FCC's Negotiated Rulemaking Committee on Hearing Aid Compatibility.

- Supported Mutual Recognition Agreement (MRA) discussions between the United States and the European Union (EU) and member states of the EU in the areas of testing results and type approval of equipment.

- Published a Standards and Technology Annual Report (STAR) in 1994 to highlight TIA's 50 years of standards setting activities.

- Recognizing the convergence of technologies, in 1995, organized TIA's and EIA's Standards and Technology activities under a single vice president.

TIA's standards-setting activities recognize the strategic importance of standards to TIA's members, service providers, users (including federal and state governments) and the overall welfare, security and reliability of our telecommunications infrastructure.

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SECTION 12 EXHIBIT 5

Elements of Implementation Plan For the Year 2000 Committee T1 Strategic Plan

Identify and Maintain Technical Focus Areas

1. The list of Focus Areas will be reviewed annually to ensure that it is up-to-date and reflects industry needs.

2. New projects will identify which focus area they address, as appropriate.

Improve the Timeliness of Standards Products

1. Increase the use of T1BBS for distribution of contributions and comments prior to meetings.

2. Provide access to draft standards on T1BBS.

3. Implement a single ballot process.

Enhance Quality Awareness

1. Expand the T1 leadership training program.

Advance the Program Management Process

1. T1P1 to take a pro-active role in the management of standards for NII.

2. T1AG to regularly review the role of program management.

Expand the Synergy of Work Plans

1. Share information at the earliest possible time with other domestic, regional and international standards organizations.

2. TSCs to assist in the identification of the work and purpose of fora and other organizations.

3. Develop guidelines to accept appropriate work items for standardization from forums and other organizations.

4. TSCs to take a pro-active liaison/participation with forums.

Increase Industry Awareness And Support

1. Focus on "Hot" technologies in the press i.e., PCS, ATM, ADSL, NII, ISDN.

2. T1 Secretariat PR group to contact TSC Chairmen after each TSC meeting to assure that the PR group is updated on actionable items. Secretariat to make press releases when new work begins, milestones are reached and when a standard or report is completed.

3. Angels to work with Secretariat PR group to maintain updated information on focus areas.

4. T1 to encourage members' participation in seminars and to make submissions to journals.

5. Secretariat to provide inputs to the ANSI Reporter regarding Committee T1 activities.

Enhance Executive Awareness and Support

1. T1 leadership to communicate with executive management of member companies the appreciation for funding of T1 participants, and hosting meetings and the accomplishments resulting from this support.

2. T1 Secretariat to notify the official representative of member companies of articles mentioning T1 activities for distribution to company executives.

Optimize T1 Structure/Organization

1. T1AG to undertake a review of the structure and organization of the TSCs.

Advance and Implement an Effective Electronic Document Handling Plan

1. T1EDH Standing Committee to:
   - Define and develop WWW interface
   - Establish home pages for each TSC
   - Provide a linkage for access to the server
   - Secure committed workers for BBS development
   - Maintain close liaison with the ATIS public relations group
   - Establish a method for electronic balloting

2. Continue to work with ANSI to encourage electronic access to standards.

3. T1, T1AG and TSCs will provide all meeting notices and agendas electronically no later than June 1996.

Optimize Meeting Logistics and Effectiveness

1. Secretariat to investigate alternative meeting funding arrangements.

2. Encourage the use of EDH to distribute meeting contributions electronically.

Maintain a Multi-Year Financial Plan

1. T1 secretariat will develop a multi-year financial plan based upon projected participation in Committee T1. This plan will be presented to T1/T1AG for approval.

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SECTION 12 EXHIBIT 6.

Description of an Example Standards Project Proposal

(Based On The 1994-95 Committee T1 Procedures Manual)

This exhibit, by way of example, describes the preparation process for project proposals used by Committee T1 - Telecommunications.

Preparation Of Project Proposals

Introduction.

A project may be introduced by any individual, corporation, organization, technical subcommittee, the T1 Advisory Group, or any other party, whether or not a member of Committee T1. Once the need for a project has been identified, a project proposal must be prepared that clearly identifies the purpose and scope of the project. This proposal should also clearly identify the expected outputs of the project, that may include any of the draft documents covered in this section of the manual. The preparation of a project proposal is set forth below.

Project Proposal Form.

Figure A-1 is the outline to be used in preparing a project proposal. The initial draft of a project proposal need not include all the required data. However, the final draft submitted for T1 Technical Subcommittee (TSC) and T1 approval must include all the data specified in this section. If the proposed project is a candidate American National Standard (or set of closely related standards), the project proposal should address that standard (or set of standards) only.

STANDARDS COMMITTEE T1-TELECOMMUNICATIONS

PROJECT PROPOSAL

1. PROJECT IDENTIFICATION
    - 1.1 Title
    - 1.2 Submitted by
    - 1.3 Date

2. DESCRIPTION
    - 2.1 Description of proposed project
    - 2.2 Proposed program of work
        - 2.2.1 Work Products
        - 2.2.2 Milestones
    - 2.3 Project assignment and resources
        - 2.3.1 Technical Subcommittee assignment
        - 2.3.2 Technical Subcommittee resources
        - 2.3.3 External resources required

3. JUSTIFICATION OF NEED FOR PROPOSED PROJECT
    - 3.1 Description of the need
    - 3.2 Existing standards or practices

4. RELATED STANDARDS ACTIVITIES
    - 4.1 Other Technical Subcommittee activities
    - 4.2 Other domestic standards activities

4.3 International standards activities
4.4 Standards related group activities

Project Proposal Outline

A study project may identify the need for several standards projects. If this is the case, separate standards project proposals should be prepared for each candidate American National Standard (or set of closely related standards) identified by the study project. A study project may also identify contributions to international standards organizations and/or may identify a technical report as an intended product. Each item on the form is discussed below. The same form is used whether the project is a standards project or a study project.

Project Identification

Title. Clearly identify the subject of the proposed project and indicate whether it is for the development of an American National Standard or whether it addresses a study project. The title should be brief and to the point. Recommend an abbreviated or "short-form" title where the definitive title is extensive.

Submitted By. Identify the name of the individual or organization submitting the current version of the proposal. This should be updated, as required, to reflect the degree of approval the project proposal has received. When an organization is indicated, also list the name of an individual who can be contacted for questions.

Date. Insert the latest date of preparation.

Description

Description of Proposed Project. State the purpose and scope of the proposed project in sufficient detail to permit proper evaluation. List areas covered (e.g., protocols, services, interfaces, etc.,) and related areas the project does not address. Describe the expected outputs (e.g., standards, reports, contributions).

Proposed Program of Work. Describe the steps to be taken to complete the project. Be as specific as possible concerning milestones and scheduled deliverables. The final draft must include estimated dates for the following specific milestones (target dates) where applicable to provide input for the Committee T1 Project Tracking System:

- Project approved by TSC
- Project approved by T1
- Draft standard or technical report submitted to the TSC
- Draft standard or technical report ready for TSC ballot
- Standard or technical report approved by TSC
- Standard or technical report approved by T1
- Standard approved by ANSI (Normally eight (8) weeks after T1 approval)
- Standard reaffirmation date (Five (5) years after ANSI approval date)

Project Assignment and Resources

Technical Subcommittee Assignment. Recommend a TSC to work on the project. Project assignment to a particular TSC is based on the current mission and scope of the TSC. It is the responsibility of each TSC to ensure that all project proposal efforts are confined to projects within its mission and scope. When in doubt, the chairman of

the identified TSC should submit the project proposal to the T1 Advisory Group for assignment clarification. Project proposals submitted directly to Committee T1 or the T1 Advisory Group will be assigned to a TSC by the T1 Advisory Group.

Technical Subcommittee Resources. Identify the skills and expertise required within the TSC to complete the proposed project.

External Resources Required. List any external resources required to perform the work contemplated by the proposed project. Examples of external resources that may be required are testing, lab facilities, user requirements, or individual experts in a specified field.

Justification of Need for Proposed Project

Description of the Need for Standard. Describe the reasons for developing this standard or study project (e.g., compatibility, advances in technology, market/user requirements, etc.).

Existing Standards Practices. Identify existing standards, technical publications, etc. and current practices that are similar or comparable to the proposed project. Also list existing standards or practices that may be used as references in the planned work.

Related Standards Activities

Other TSC Activities. List in this section other standards projects or study projects currently underway in other TSCs of Committee T1. Describe liaisons needed for effective completion of this project. Be specific.

Other Domestic Standards Activities. List potentially related projects or activities in other domestic standards bodies (e.g., X3, EIA, IEEE, etc.). Describe the specific liaisons required for the effective completion of the proposed project. Organizations should be listed if it is expected that they will coordinate with the proposed project or need to be aware of it.

International Standards Activities. List related international standards development activities such as CCITT. Be specific. Indicate where contributions are likely to be submitted to the international groups as a result of this project.

Standards Related Group Activities. List related groups (fora). Indicate related outputs, inputs and dependencies.

SECTION 12 EXHIBIT 7.

Description of an Example Project Tracking Process

Objectives Standards Process Management.

It is necessary to manage the standards development progress through changes in personnel, structure and issues addressed in Committee T1. This exhibit is intended to tie together those aspects that assist in managing the standards development process. Particular attention has been given to assure that this process is simple and flexible to use. The primary benefit of using this process is that standards are developed in a more timely fashion due to the interactive identification and development of action plans with targeted objective dates, which are then effectively used with a tracking and monitoring system.

Components of Standards Process Management. The basic components of the management process are:

- Initial Objectives and Milestones
- Action Plans
- Project Tracking Reports
- Monitoring System

Initial Objectives and Milestones. The initial objectives and milestones are set at the project proposal stage. Section 6 and in particular 6.1.4.1 and 6.1.4.2, provide instructions to specify the objectives (e.g., areas covered, expected outputs, etc.), the steps to be taken to complete the project and the setting of milestones and deliverables. The estimated dates for the specified milestones are then used to populate the project tracking report. The specified milestones are given in 6.1.4.2 and 15.3.1.

TSC Action Plans. The action plans to accomplish the standard development process in accordance with the objectives and milestones are developed by the TSC (Technical Subcommittee) and WG (Working Group) Chairmen and other work leaders, in conjunction with the members. There are a variety of components that constitute effective action plans, including the following:

- Prioritizing work in accordance with the established target dates
- Breaking the work program into phases with associated milestones and calls for contributions for each phase
- Structuring agendas to accomplish the above
- Assigning defined tasks to sub working groups and ad hoc groups
- Selecting a roll call vote or a letter ballot

The action plans should assure process timeliness, but not inhibit due process or preclude technological innovations.

Project Tracking Reports. A common project tracking report and system has been developed for use by all TSC's for the purpose of tracking the status of all projects within Committee T1. It is the responsibility of the TSC Chairman to update the project tracking report quarterly after each meeting of the respective TSC. This project tracking report shall also be used in the Annual Report of the TSC.

A format description of the Project Tracking Report is found later in this exhibit.

Monitoring System. The monitoring system component of the standards process management has a very close tie with the project tracking system. A monitoring system should provide a means to measure the effectiveness of the process, reassess/change initial objectives and milestones and optimize the entire standards development process. The monitoring system includes action by the TSC Chairman, its members, the T1AG and all members of Committee T1. A scenario of a functional monitoring system is as follows:

- Initial objectives and milestones are approved
- The project information is loaded into the project tracking system
- Action plans are developed and intermediate milestones/phases established
- The project status report is updated quarterly to reflect progress
- The work leaders, members and T1AG monitor the milestone achievement and note any areas where progress is not meeting milestones and the associated reasons
- The work leaders and T1 Committee members:
  - reallocate resources to meet the established milestones
  - assess any long-term penalties of individual issue delays
  - feed back changes to milestones to reflect the realities of the particular project

After a standard is approved, it is so noted permanently in the project tracking system along with the ANSI reaffirmation date to remind the organization of the timing requirements for the next generation or reaffirmation of the standard.

Project Tracking Report Description

Milestones. The project tracking report accepted for Committee T1 usage to record critical milestone dates and information on the status of projects has the following specific milestone dates chosen for tracking:

- Project approved by TSC
- Project approved by T1
- Draft standard or technical report submitted to the TSC
- Draft standard or technical report ready for TSC ballot
- Standard or technical report approved by TSC
- Standard or technical report approved by T1
- Standard approved by ANSI
- Standard reaffirmation date

Historical, Projected and Target Dates. Dates for these milestones are tracked for each project proposal on a per deliverable basis (i.e., standards and technical reports). Looking both ahead and back in time, the date information is summarized graphically in a matrix form. Historical, Projected and Target dates are defined as follows:

A Historical date is the actual date a milestone was completed. Since a Historical date represents actual completion, it is posted only once and retained without change.

A Projected date is a future date for which completion of a milestone is anticipated. A Projected date is changed as necessary to reflect the current estimate of the milestone completion.

A Target date is the future date for which completion of a milestone was anticipated at the time of the Project Proposal approval. A Target date is posted only once in accordance with the dates on the Project Proposal and retained without change.

Column Headings. Explanations of the project tracking report column headings are as follows:

WG - The Working Group to which the project has been charged.

ANSI PROJECT - The ANSI project designation.

DESCRIPTION - The subject or title of the project.

STATUS - The status (Active or Inactive) as determined by the TSC.

TYPE OUTPUT - The type of output document(s) (Contribution, Standard, etc.) intended by the TSC for the project.

PROJECTED APPROVAL DATE - A future date for which completion of a milestone is expected. Two types of dates described in 15.3.2 are entered here: Target and Projected.

LETTER BALLOT - The TSC and/or T1 letter ballot designation associated with the type of output.

APPROVAL DATE - The actual (Historical) date a milestone was completed.

COMMENTS - For use by the TSC as desired (e.g., a standard's subject or title, relation to other projects, final ANSI standard designation number, etc.)

Update When Standard Approved. Upon final ANSI approval of a standard, the first six (6) milestones (i.e., the standards development milestones) and their corresponding dates are removed from the project tracking report. Permanent entries are made for the ANSI approval date (including the ANSI designation number) and the standard reaffirmation date. The TSC may wish to retain record of those six (6) dates removed as a track record for use in estimating development time for other projects.

SECTION 12 EXHIBIT 8.

Model Process for SS7 Network Interconnection

Interconnecting Networks

A Service Provider tests all interconnecting networks prior to service turn-up. These networks include, but are not limited to:

- Local Exchange Carriers
- Competitive Local Carriers
- Interexchange Carriers
- Radio Common Carriers
- Enhanced Service Providers
- Satellite Service Providers
- Cable TV Service Providers

Scope

The purpose of this document is to define, in broad terms, a model for CCS Network testing a Service Provider performs when interconnecting CCS networks. Testing is performed with interconnecting network elements to verify signaling network integrity, signaling compatibility and application interoperability.

General Methods

Testing is performed by technical staffs of or representing the Service Providers. Technical requirements are specified for each suite of tests. Testing must prove that compatibility and interoperability exist. Testing will be performed with each interconnecting network. Exceptions requiring either a test subset or repetitive testing are identified in the testing suites section on the following page. Technical requirements are prepared for each suite and are available separately.

Testing Architectures

A variety of environments as required by the interconnecting network architectures and by the service or application provided through network interconnection will be used. Four test strategies are employed:

- Intrusive Testing (Lab environment)

  This test strategy requires interconnecting elements to be directly connected (via "A" or "D" links as appropriate) to a captive STP pair. This test architecture supports intrusive tests at the link and network level of the Message Transport Part (MTP), using specialized test equipment. These tests are used to verify signaling compatibility.

- Monitoring/non-intrusive (Live/Controlled Environment)

  This test strategy supports an interconnection architecture of live CCS signaling elements to an in-service STP pair. Test data are acquired via non-intrusive bridge monitoring of the signaling links. This test architecture supports verification tests for traffic routing translations, signaling network management implementations and signaling network integrity.

- Controlled Testbed (Live/Controlled Environment)

This test strategy requires interconnecting networks to establish live signaling and trunking connections to a controlled test network. It supports interoperability testing of the services and applications for ISDN-UP for call control (ISUP-CC).

- Pre-Service and Vertical Services Testing (Live/Controlled Environment)

  This test strategy supports pre-service verification of ISUP-CC application translations and implementations in the live network. It is most commonly applied at the start of message trunk conversion from in-band (MF) signaling to out-of-band (SS7) signaling.

Scheduling and Approval

Test scheduling can begin after a bilateral interconnection agreement is in place. Approval to interconnect is issued immediately after successful completion by the testing staffs. Interconnection can proceed after formal compatibility and interoperability acceptance. All testing data, results and compatibility and interoperability acceptances are to be archived.

Testing Suites

Specialized tests are developed by the Service Provider to satisfy network integrity, network compatibility and network interoperability concerns. These test suites are applied for network interconnection based on the services or applications supported. NOF or ANSI standards are used to form the foundation of the actual test suites, when they are available.

Examples of Test Suites are Message Transfer Part (MTP), ISDN User Part for Call Control (ISUP-CC) and Vertical Services.

- Message Transfer Part (MTP)

SS7 Level 2 and 3 protocol and procedures testing is performed as follows:

- STP to STP:
  Lab/Intrusive tests are performed in a Lab-to-Lab or Lab-to-Live environment for every interconnecting network using an STP to STP architecture.
- "A" Link Access:
  Lab/Intrusive Signaling Point to Lab tests are performed on switch types and or generic levels that are not already deployed within the Pacific Bell CCS network.
- "A" Link Access
  MTP Subset/Non Intrusive SP to STP Pair (live) tests consisting of a MTP subset for routing translations and network management implementation verification are performed when switch types and generic loads are identical to switches currently deployed within both interconnecting networks.

- Signaling Connection Control Part (SCCP)

Protocol and Procedures Testing are performed for the Signaling Connection Control Part (SCCP) to address the following items:

- Subsystem Management
- Subsystem Routing and Mated Pair
- Global Title Translations

- ISUP-Call Control

Controlled Testbed tests are conducted subsequent to successful completion of MTP testing for interconnecting networks requesting conversion of trunk groups from in-band (MF) to out-of-band (SS7) signaling. These tests include:

- Controlled Routing
These tests are conducted in a live test environment using restricted line and trunk groups.

- Switch Type
Testing is applicable to interconnecting signaling points which are not deployed within both interconnecting networks.

- Interworking Combinations
Testing is performed between the interconnecting network and all SS7 capable switch types deployed within both networks. All potential call paths and points of MF to SS7 interworking are tested.

- Live Routing
These call-through tests are conducted in a live environment in a pre-service mode on switch types and generics that are currently deployed in both networks.

- Maintenance Verification
Circuit and Group state control tests are performed on trunk groups in both the Controlled Routing and Live Routing test environments.

• Vertical Services (TCAP Messaging)

Controlled Testbed tests are required for vertical services; these tests are conducted after successful completion of MTP compatibility testing and ISUP if they are ISUP dependent (e.g., CLASS, ISDN services).

These tests are customized, by application. Tests include:

- 800 Query
- ABS/LIDB
- CLASS
- ISDN
- AIN-TCAP
- IS-41 TCAP for PCS and Cellular

• Service Monitoring/Element Testing

Service Providers should monitor SS7 network interconnections for anomalous signaling conditions as a matter of course. This includes additional testing as required, for example:

- SCP Performance Testing
- 800 Call Sample Testing
- LIDB Global Title Routing Testing
- PCS Phase 1 Network Integration

• Generic Changes

New generic loads for network elements should be tested by Service Providers prior to placing them in service. There is no policy to re-test with interconnecting networks based on changes in those networks. Service Providers should monitor SS7 network interconnections for anomalous signaling conditions as described under service monitoring/element testing.

Process and Roles

Both interconnecting Service Providers will maintain parallel functional roles, consistent with their internal organizational structures.

- Industry Market Management - responsible for direct inter-Service Provider interface.
  - Acquaint new interconnecting Service Providers with bilateral agreement, test and order processes
  - Arrange for completion of bilateral agreements
  - Define test architecture and serving arrangements
  - Exchange test plans and contact lists
  - Obtain agreement on schedule and test plans
  - Coordinate test schedules with respective Systems Engineering and Network Services groups
  - Ensure Service Orders and trunk orders are placed
  - Notify Systems Engineering and Network Services of due dates, orders and delays

- Network Services Planning - responsible for testbed coordination.
  - Provide detail of test architecture to affected work centers, such as switch routing and translations, circuit information, signaling network routing and translations
  - Coordinates orders and changes with work centers
  - Provide Industry Market Management with test architecture information
  - Track and link trunk orders
  - Notify Systems Engineering when MTP and/or ISUP testbed is ready

- Network Operations- responsible for testbed installation and control.
  - Input translations and routing
  - Verify trunk circuits
  - Notify Network Services Planning when orders completed
  - Perform trunk group busy/idle commands during testing

- Signaling Network Control Center- responsible for SS7 network testbed installation and control.
  - Complete link orders and verify alignment
  - Input routing and translations in the STP
  - Notify Network Services when orders completed
  - Perform on-site link patches and cross-connects
  - Perform link maintenance and administration during testing

- Systems Engineering - responsible for test control, analysis and acceptance.
  - Verify testbed SS7 link, translation and routing for MTP tests
  - Verify ISUP testbed translations, routing and trunking
  - Conduct MTP and ISUP tests
  - Analyze test results and report findings with other participating Service Provider
  - Coordinate non-compliance process and retest when required
  - Issue formal compatibility and interoperability acceptance for MTP and for ISUP
  - Issue formal compatibility and interoperability acceptance for SS7 interconnect
  - Release testbed for next Service Provider testing.
  - Archive test results

SECTION 12 EXHIBIT 9.

Joint Technical Committee Validation and Verification Procedures

(Reference: JTC(AIR)/94.08.04-541R2)

1. A Validation and Verification (V&V) committee must be established for each document. Procedures will require that Technical Ad hoc Group (TAGs) request that the Joint Technical Committee (JTC) approve and form a V&V committee for each of their respective documents. The TAGs must provide the names of those who have committed to participate in the proposed V&V committee (at least six) in order to gain approval. This will ensure that everyone will know who the V&V committee members are.

2. A V&V committee must consists of at least six participants that include the following (additional participation is encouraged):
   - Chairman
   - Document editor
   - Subject Matter Experts (SME) from two different companies
   - Participants from two different Service Providers or Potential Service Providers

   This is recommended as the minimum participation level for a V&V committee to ensure that editorial changes can be efficiently made in the actual document and that there will be adequate technical competence and service provider review. The chairman will have the additional responsibility of facilitating the work and providing reports on the progress of the committee to the JTC.

3. All V&V committee members should participate to the fullest extent possible from the beginning of V&V through its completion and are expected to read the entire document to ensure adequate review and facilitate rapid completion.

   In addition, the document should be made available to any JTC participant who may participate in the V&V process by completing a Document Discrepancy Report (DDR) and submitting it to the appropriate TAG chairman. This DDR will follow the same review process as documented in Item 5 below.

4. Large documents (i.e., greater than 500 pages) may be subdivided or broken into logical segments such as topics or "chapters" and the V&V committee divided accordingly (i.e., a minimum of six participants per segment as specified in item 2). However, it is preferable for a single V&V committee to review an entire document.

5. V&V committee members are to review the document for:
   - Editorial clarity (grammar, ambiguous phrases, etc.)
   - Editorial consistency (style, references, terminology, etc.)
   - Technical clarity (adequate specification)
   - Technical consistency (consistency between requirements)

6. V&V committees will be empowered to make editorial corrections and clarifications.

7. V&V committees will identify in writing all questions regarding technical clarity and consistency and forward them to the TAG for resolution. V&V committees are empowered to make technical changes.

   The V&V committee should document all changes to the document, both from the DDR participants as well as the committee itself, in a line in/~~line out~~ format until the document is approved by the TAG to transmit out as a clean document.

8. After V&V is completed to the satisfaction of the TAG, the TAG may make a recommendation to the JTC regarding the disposition of the document (e.g., recommending the document be forwarded to TR46 and T1P1 for ballot).

9. In order to ensure completeness of the V&V process within each TAG, a final report (which might simply be copies of the V&V meeting reports) and a copy of the draft document should accompany the recommendation of the V&V committee.

V&V of Large Documents

Paper copies are required for members of the V&V committee.

Paper copies of sections of the document to be reviewed can be distributed all at once, or as a V&V review schedule. A complete copy is preferable so that cross references can easily be checked.

Mail out electronic copies on both MAC and DOS disks to the JTC mailing list.

Include the complete test of the document to be reviewed.

Include a soft copy of the Discrepancy form, the V&V review schedule and an appropriate READ_ME.TXT file on both MAC and DOS disks. The READ_ME.TXT file should contain instructions on how to print out the document.

Sufficient time should be allocated so that disks can be received by JTC participants so that they will have the benefit of the complete review period (a minimum review period of 5 weeks) to fill out and return Discrepancy sheets (i.e., allow x business days for disk duplication and y business days for distribution by mail, etc.).

Participants should record only one discrepancy per discrepancy sheet.

Discrepancy sheets should be returned to the contact person listed at the bottom of the discrepancy sheet.

Only one (1) copy of discrepancy sheets needs to be made available to the V&V committee (i.e., the contact person listed at the bottom of the discrepancy sheet).

SECTION 13

APPENDICES

Appendix 1

Network Reliability Council
Issue Statement

Author: Ross Ireland
Pacific Bell

Problem Statement/Issues to be Addressed

The number of Telecommunications Service Providers and new network configurations will continue to grow at an increasing pace. The larger the number of providers and interconnected network configurations, the more complex the reliability problem becomes. This is due to the difficulty in identifying and isolating network problems to the responsible element or the entity containing the problem so that it can be fixed, while not affecting other parts of the network. Telecommunications Service Providers that are providing interconnection must do so in a way that does not compromise reliability.

Areas of Concern/Problem Quantification

The following are the major areas that should be considered for increased interconnectivity.

- Impact of New Networks. Identify the impact on existing networks of interconnection with new networks such as cable networks, satellite networks and wireless networks, over the next 5-10 years.
- Unbundling of Existing Networks. Identify the impact of increasing interconnections of a variety of service providers into the current networks.

The list below represents areas where reliability may be jeopardized if not well cared for prior to interconnection.

- Network interface, performance standards and operating standards. Clear, well documented standards for network interconnection.
- Network interface and service assurance, interoperability testing. Demonstrated performance in a realistically simulated operational environment.
- Fault isolation. The ability to identify and isolate a problem to specific network elements and service providers.
- Fault migration mitigation. Network firewalls to prevent problems from spreading across networks.
- Engineering/capacity provisioning. Identification and assessment of higher/different traffic volumes and/or traffic patterns.
- Information sharing between service providers. Data requirements in a standard format disseminated rapidly to aid service provider problem identification and analysis processes.
- Mutual aid. Expedited mutual aid recovery requirements through collaboration.

Consider the adequacy of the Standards Development and Compliance Process. Is the voluntary development of, and conformity to, standards keeping pace with increased interconnection and will it be able to in the future? If the standards development process is unable to keep pace with the needs, what escalation/resolution method is proposed?

To the degree that interoperability testing or other centralized work is recommended, include a recommendation for how such work should be funded (including the current SS7 Interoperability testing).

Description of Proposed Work

The team working this issue should consider the following total quality process to assess network reliability vulnerability due to increased interconnection and should propose problem solutions.

1. Collect appropriate data from all available industry sources to determine/confirm areas of greatest current criticality and risk and to determine greatest potential future concern.

2. Perform sufficient analysis of the data to determine the high reliability risk areas of increased interconnection. Sub-analysis should include:
   - Current interconnections network reliability problems:
     - Designs, shortcomings
     - Operations, Administration, Maintenance and Provisioning Plans
     - Documentation
     - Testing
   - New network interconnection reliability risks for cable, satellite, wireless
   - Reliability risks of unbundled interconnection of various service providers to the current network.

3. From the analysis of reliability risks, determine an appropriate action plan to reduce the possibility or severity of failures in high risk areas.

4. Determine industry "Best Practices" for dealing with the high reliability risk areas and share this information with industry participants as soon as possible. Also consider cost/benefit tradeoffs of these "Best Practices." (Attached are some initial areas for consideration.)

5. Consider the development of principles and/or templates that depict the areas of interest that should be addressed prior to interconnection. Attached is an example offered by the steering team of which areas might be considered for inclusion in an interconnection template. This is meant to be an example only and may be accepted or rejected by the interconnection focus team.

6. Consider a recommendation for the following if the "template" example or a similar recommendation is made. Determine which group or organization should be responsible for:
   - Ongoing stewardship for templates and minimum interconnection requirements
   - Any interoperability testing to be performed on a centralized or national basis
   - Dispute resolution between interconnect parties

7. Develop a timeline and metrics to measure the effectiveness of the team's recommendation.

A. Network Interfaces Specification Template. Establishes a generic criteria for the development of Network Interface Specifications that identifies the minimum list of items that must be effectively addressed to establish and maintain a point of network interconnection for all service providers who interconnect their networks. This template can be used to insure key issues such as fault isolation, fault migration mitigation and performance objectives. Following is a draft outline of such a template:

Network Interface Specification Template

- Physical interface defined
  - Clear point of demarcation, allowing test access, surveillance access
  - Mechanical, environmental, power, grounding and security requirements
  - Specification of radiated and conductive electromagnetic properties
  - Spectrum allocation and management standards

-Message set defined and published (proprietary or network specific messages should not be transmitted across the network interface)

-Defined/robust protocol, without proprietary extensions

- Error correction, retransmission
- Message overload controls and management
- Fault migration mitigation, etc.

-Compatible Routing and Addressing Plan

- Point Code, CIC, NXX requirements defined
- Standard circuit assignment and identification

-Network Performance design objectives defined

- Signal transport time (delay)
- Availability (downtime by node, access, service)
- Lost message probability
- Undetected error
- Transmission plan and performance specified (e.g., Bit Error Ratio, loss)
- Network congestion design objective

-Regulatory Issues, e.g., Calling Party Number Privacy Management Capability

-Forward and backward compatibility of protocol for transition management

-Route Status (available, not available, etc.) to be maintained for all interconnected points.

-Which group/organization should be responsible for

- Ongoing stewardship for templates and minimum interconnection requirements.
- Any interoperability testing to be performed on a centralized or national basis
- Dispute resolution between interconnecting parties.

B. Service Specification Template. Establishes a generic criteria for the development of Service Specifications that identifies the minimum list of items that must be effectively addressed to establish and maintain a service across a network interconnection. This template can be used to address key issues such as fault isolation, fault migration mitigation and performance objectives for services on their specified network interface and protocol.
Following is a draft outline of such a template:

Service Specification Standard Template
- -Functional requirements
- -Interconnection architecture
- -Routing Plan
- -Network Interface Specification
- -Protocol requirements
- -Physical interface requirements
- -Performance requirements
- -Billing data recording requirements
- -Network data information administration and sharing agreement
- -Regulatory constraints, such as Calling Party Number Privacy Protection Policy and Operating Rules

C. Operations, Administration, Maintenance and Provisioning Plans Template. Establishes a generic criteria for the development of Operations, Administration, Maintenance and Provisioning plans that identify the minimum list of items that must be effectively addressed to establish and maintain a service across a network interconnection. This template can be used to insure key issues such as network management, network security and operating procedures are effectively addressed. Following is a draft outline of such a template:

Operations, Administration, Maintenance and Provisioning Plans Template:
- -Network Management
- -Network Security
- -Operating procedures
- -Maintenance procedures, including trouble isolation
- -Routing and Screening Administration
- -Inter-network provisioning procedures
- -Responsibility assignments (control, testing, etc.)
- -Information sharing for analysis and problem identification
- -Network transition management
- -Calling Party Number Privacy Management
- -Traffic engineering design criteria and capacity management
- -Tones and Announcements for unsuccessful call attempts
- -Joint planning on network transition
  (e.g., CIC expansion to 4 digits, NPA split, etc.)
- -Mutual aid agreement
- -Emergency Re-routing plan

D. Compliance Plan. Processes should be established to insure compliance to the development of standard specifications for network interconnections. Methods for insuring the adequate implementation of such specifications should be evaluated and recommendations made.

Existing Work Efforts:

Various industry standards development groups work to resolve interconnection standards issues. This work should be evaluated for applicability and adequacy for increased interconnection of networks.

Various methods are used today to maintain network reliability of interconnected networks. These are outlined below:

Network element manufacturers currently perform regression and compatibility testing among the various network elements within their own product lines. In addition, some have similar test programs for other manufacturers' typically interconnected devices in support of the service providers and end users they support.

Protocol compliance testing is performed by several third party and industry segment sponsored test laboratory services.

Some service providers establish and maintain compatibility testing requirements for interconnected network providers in the following areas:

-Interconnection design and installation
-Facility transmission tests
-Interconnection acceptance and performance tests
-Protocol functional compatibility tests

For ongoing SS7 interoperability assurance, some service providers and manufacturers participate in ongoing interoperability test efforts such as the FTP, under the auspices of the ATIS Network Operations Forum.

Recommended Team Leader:

Industry "Best Practices" Initial Areas for Investigation

For established interconnection services some service providers have well established procedures that have served network reliability concerns. Examples of these include:

- For Feature Group D, the Pacific Bell Access Services Installation and Maintenance Handbook
- For the provisioning of Message Trunks between Pacific Bell and other California Local Exchange Carriers practices such as BSP 002-580-915T (GTE) and 002-580-916PT (Continental Telephone Co.).

Finalized by the NRCTG2 Team
January 17-18, 1995

Appendix 2

NRC Increased Interconnection Task Group Data Request Questionnaire

Single Points of Contact for NRC Data Collection:

The Federal Communications Commission (FCC) has chartered the Network Reliability Council (NRC) to address a number of significant issues concerning maintaining and improving network reliability. These issues include, among other things, the impact of increased interconnection and the introduction of new technologies into the network.

To carry out its charter, the NRC has formed five task groups. Each group will address an FCC identified issue:

Task Group 1	Network Reliability Performance
Task Group 2	Increased Interconnection
Task Group 3	Reliability Concerns Arising Out of Changing Technologies
Task Group 4	Essential Communications During Emergencies
Task Group 5	Telecommuting as Back-Up in Disasters

Recently, you were notified that data requests for each of the task groups would be sent to you for you to coordinate in your company. Attached is the data request (questionnaire) for the Increased Interconnection Task Group. The Increased Interconnection Task Group is conducting a study to gather input on various interconnection issues from the Local Exchange Carriers (LECs), Inter-exchange Carriers (ICs), CATV Service Providers, Wireless Service Providers and Satellite Service Providers to determine the effects of increased interconnection to the public telecommunications network.

Attached is a questionnaire asking for your input on interconnection issues and possible suggestions to address critical areas.

All data collected from your company will be protected by the nondisclosure agreement (see attachment). Data received will be aggregated by Bellcore and shared only on an aggregate basis.

Your personal support of this data collection effort is essential for an effective accomplishment of the mission of the NRC. Please return the completed questionnaires within 30 days (i.e., by April 30, 1995) to:

John Healy
Bellcore, Room 2X-227
331 Newman Springs Road
Red Bank, NJ 07701
Tel: 908-758-3065
Fax: 908-758-4370

If you have any questions, please call either John Healy at 908-758-3065 or Rob Hausman at 908-699-3408.

Thank you very much in advance for your cooperation.

Casimir S. Skrzypczak
President, NRC Steering Committee

Attachments (3)
Nondisclosure Agreement
Questionnaire
Glossary

Copy (without Attachments) to
Terry Yake
NRC Interconnection Task Group Members

NETWORK RELIABILITY COUNCIL

INCREASED NETWORK INTERCONNECTIVITY TASK GROUP

DATA REQUEST FOR INTERCONNECTION ISSUES

In order to support the industry initiatives requested by the FCC (Federal Communications Commission), the members of the Network Interconnectivity Task Group under the Network Reliability Council (NRC) asks for your company's support in completing this questionnaire. We are studying current and future national network reliability issues that derive from the increasing number of communications service providers. Since your company provides equipment, systems and/or service that ultimately serve end-user customers, we are soliciting your opinions on various network interconnection issues. While numerous types of interconnections may be available now and in the future, the scope of this questionnaire is limited to those interconnections that result in the provision of switched voice telecommunications services.

Please complete one copy of the questionnaire for each of the following categories in which your company is involved.

1. CATV network
2. Satellite network
3. Wireless network
4. Wireline network

5. Other (e.g., ESP, access purchaser, regulatory body, etc.)

The questionnaire has three parts. The first part requests background information on your company's role in the telecommunications industry. The second part involves an assessment of the current and future situation concerning inter-network connectivity. The third part is focused on processes and practices designed to mitigate potential future interconnection problems and ensure end-to-end network reliability as more service providers interconnect and increase the complexity of national and international communications networks.

PART 1 - COMPANY BACKGROUND

1. Company name: _____

2. Contact name: _____

3. Contact title: _____

4. Contact phone number: _____

5. What type of network does your company provide to support public telecommunications (check one):

__ Cable TV
__ Satellite Based Telephony
__ Wireless
__ Wireline
__ Other (define) _____

6. How many telephony customers do you serve? (check one in each column)

	currently	the year 2000
none	_____	_____
- 10,000	_____	_____
- 100,000	_____	_____
- 1,000,000	_____	_____
more than 1,000,000	_____	_____

7. Regarding network interconnection issues, in which of the following standards bodies and industry fora do you currently participate?

__ Committee T1 __ CTIA
__ CLC Forums __ ITU
__ TIA __ PCIA
__ NCTA __ WIF
__ IILC __ other(s) _____

8. Has your company and/or your vendor(s) participated in the Inter-network Interoperability Test Plan (IITP)? (check as applicable)

__ your company __ your vendor(s)

PART 2 - ASSESSMENT OF INTERCONNECTION ISSUES

9. In terms of reliability and continuity of telephony service, how critical are/will be the inter-network connections between your network as identified in #5 and each of the following types of networks:

	High	Medium	Low	None
Cable TV	H	M	L	N
Satellite Based Telephony	H	M	L	N
Wireless	H	M	L	N
Wireline	H	M	L	N
Other (define _____)	H	M	L	N

10. The following are the key inter-network interfaces identified (see definitions in glossary) by the Increased Interconnection Task Group. Please rank these interfaces in terms of potential risk to inter-network reliability and continuity of service.
(4 - greatest risk, ... 1 - least risk)

__ physical interface

__ Signaling channel interface

__ User information channel interface

__ Operation, administration and maintenance (OAM&P) interface

__ other _____

Comments: _____

_____

11. a. What are your company's requirements or specifications for reliability and performance before interconnecting with other networks?

__ ITU recommendations

__ NOF / IITP procedures

__ Bellcore Technical Requirements

__ Committee T1 standards

__ Company-specific requirements

__ Bilateral agreements between the interconnecting parties

__ TIA standards

__ other _____

b. How are requirements and specifications in question 11(a) validated prior to turn-up for service?
_____

_____

_____

c. How are these interconnections monitored and maintained once in service to ensure they are performing according to expectations? _____

_____

_____

_____

d. Within bilateral agreements, what needs to be specified?

__ Provisioning information and guidelines

__ Special protocol implementation agreements (e.g., timer values, etc.)

__ Diversity requirements

__ Installation and maintenance guidelines

__ Security requirements

__ Performance standards / service level agreements

__ other(s) _____

_____

12. What current activities or future plans do you have for coordinating inter-company operation, administration and maintenance (OAM&P) information?

_____

_____

PART 3 - IDENTIFICATION OF EXISTING AND FUTURE PROCESSES

13. In your opinion, what level of responsibility should each of the following have to **develop** inter-network service standards?

(H - High, M - Medium, L - Low, N - None)

__ the interconnecting service providers themselves
__ network equipment manufacturers
__ the industry fora (service providers, equipment manufacturers and end users)
__ standards bodies (service providers, equipment manufacturers and end users)
__ FCC
__ state utility commissions
__ other (please specify) _____

14. a. In your opinion, what level of responsibility should each of the following have to **plan** for inter-network reliability/interoperability?

(H - High, M - Medium, L - Low, N - None)

__ the interconnecting service providers themselves
__ network equipment manufacturers
__ the industry fora (service providers, equipment manufacturers and end users)
__ standards bodies (service providers, equipment manufacturers and end users)
__ FCC
__ state utility commissions
__ other (please specify) _____

b. In your opinion, what level of responsibility should each of the following have to **ensure** inter-network reliability/interoperability?

(H - High, M - Medium, L - Low, N - None)

__ the interconnecting service providers themselves
__ network equipment manufacturers
__ the industry fora (service providers, equipment manufacturers and end users)
__ standards bodies (service providers, equipment manufacturers and end users)
__ FCC
__ state utility commissions
__ other (please specify) _____

15. a. Which processes or procedures do you use to ensure inter-network reliability and interoperability? (check all that apply)

__ Identify defined standards and specifications
__ Intra-company testing procedures
__ Inter-company testing procedures
__ Load simulations (in a testbed environment)
__ Stress to failure testing (in a testbed environment)
__ Conformance testing with interconnecting networks
__ IITP recommendation implementation
__ Others (please specify) _____

What additional processes are needed? _____

_____

16. With respect to network interconnections, how do you protect against

a. Fault migration _____

_____

b. Intrusion on network control channels _____

_____

c. Negative impacts to performance or call processing delay _____

_____

17. What process should be used for establishing and implementing a new, previously unspecified, network interconnection interface? _____

_____

_____

18. a. Are there firewalls/safeguards to protect your network from intrusions and incompatibilities from other interconnecting networks?

__ Extensive __ Some __ None

b. If so what are the significant ones? _____

_____

19. a. Do you have disaster recovery plans?

__ Yes, with **formal** agreements for mutual aid and/or emergency resources

__ Yes, with **informal** agreements for mutual aid and/or emergency resources

__ Yes, but without agreements for mutual aid and/or emergency resources

__ No

b. How often are your disaster recovery plans reviewed? _____

20. Additional comments:

_____

_____

_____

_____

_____

_____

Appendix 3

RECOMMENDATIONS

This compilation of recommendations clarifies the action items. In most cases current network providers will need only minor adjustments in current processes to conform. New and emerging providers should begin implementing these recommendations early in their service processes development. In some cases, the recommendations are applicable to more than one type of service provider. So, read and utilize them for the full benefit.

WIRELINE

Recommendation 1

Special attention should be given to utilizing applicable existing standards and implementing new standards addressing interconnection points between existing wireline and emerging local service providers.

Implementation Target Date
Incumbent Service Providers: Ongoing.
New Service Providers: During the service design/development phase of implementation.

Recommendation 2

The task group recommends that changes in network-to-network signaling standards and requirements (e.g., standards, fora, TR-905, etc.) be reviewed by the Network Operations Forum (NOF) and considered a) for inclusion in appropriate testing procedures, and b) development of additional operational guidelines.

Implementation Target Date
Incumbent Service Providers: Immediately for any TR-905 changes.
New Service Providers: During the service design/development phase of implementation.

Recommendation 3

Companies should appoint a Synchronization Coordinator for their company who will perform the responsibilities contained in SR-TSV-002275. Companies should provide the name of their Synchronization Coordinator to the ICCF for inclusion in its Synchronization Directory.

Implementation Target Date
Incumbent Service Providers: Now and as personnel changes occur.
New Service Providers: During the service design/development phase of implementation.

Recommendation 4

Companies should comply with the synchronization standards addressed in the ANSI Standard T1.101, entitled "Digital Network Synchronization"

Implementation Target Date
Incumbent Service Providers: Now.
New Service Providers: During the service design/development phase of implementation.

Recommendation 5

Companies should monitor and if applicable, consider active participation in standards development organizations and in industry fora.

Implementation Target Date

Incumbent Service Providers: Now.
New Service Providers: During the service design/development phase of implementation.

Recommendation 6

Bilateral agreements should be established between interconnecting network providers in accordance with the bilateral agreement template contained in Section 5.6.

Implementation Target Date
Incumbent Service Providers: Prepared in advance, implemented upon contact for interconnection.

New Service Providers: Prepare as part of service implementation planning.

Recommendation 7

Any future network interconnection interface should be developed by standards bodies and industry fora to ensure design compatibility and interoperability.

Implementation Target Date: Now.

Recommendation 8

Interoperability testing of all new/changed network interfaces having potential national PSTN reliability impacts should be performed via the IITP process to ensure continued network reliability.

Implementation Target Date
Incumbent Service Providers: Present to NOF/CTIA for determination of need as required.
New Service Providers: Present to NOF/CTIA during the network design phase of implementation.

Recommendation 9

Bilateral agreements between interconnecting networks should address the issue of fault isolation. At a minimum, these agreements should address the escalation procedures to be used when a problem occurs in one network. Second, the agreement should address which company will be in charge for initiating various diagnostic procedures. Finally, the agreement should address what information will be shared between the interconnected companies.

Implementation Target Date
Incumbent Service Providers: As part of bilateral interconnection discussions.
New Service Providers: As part of bilateral interconnection discussions.

Recommendation 10

The SS7 current "firewall" techniques should continue to be used to ensure network messaging integrity. For the future, these techniques should be used as a benchmark for "firewalls" that can be used for new technologies introductions.

Implementation Target Date
Incumbent Service Providers: Ongoing and with future design modifications.
New Service Providers: As part of the initial network design considerations.

Recommendation 11

To keep overflow traffic conditions from adversely affecting interconnected networks, interconnected network providers should utilize network surveillance and monitoring. In addition, companies should follow the guidelines for advanced notification of media-stimulated call-in events as outlined in Section 6 of the NOF Reference

Document concerning Media Stimulated Call-in Events. Further, interconnecting companies should include a contact name for inclusion in the Media Stimulated Call-in Event Contact Directory. Finally, interconnecting companies should address the control of overflow conditions in their bilateral agreements.

Implementation Target Date
Incumbent Service Providers: With initial interconnection planning/ ongoing.
New Service Providers: With initial interconnection planning.

Recommendation 12

Information sharing should be utilized by all network providers to minimize recurrence of service disruptions. The guidelines contained in the NOF Reference Document can be used for this purpose. Additional requirements for the sharing of information between interconnected companies should be addressed in bilateral agreements.

Implementation Target Date
Incumbent Service Providers: Annually.
New Service Providers: With initial bilateral interconnection discussions.

Recommendation 13

New entrants should, at a minimum, have a communications structure in place for timely notification of affected parties in the event of disasters or emergencies.

Implementation Target Date
Incumbent Service Providers: N/A
New Service Providers: With initial bilateral interconnection discussions.

Recommendation 14

Companies should appoint and provide the name of a Mutual Aid Coordinator to the NOF for inclusion in the Mutual Aid Contact Directory which is published on a bi-annual basis.

Implementation Target Date
Incumbent Service Providers: Update twice yearly.
New Service Providers: During initial operations planning phase for service deployment.

WIRELESS "CELLULAR"

Recommendation 1

Companies should appoint a Synchronization Coordinator for their company who will perform the responsibilities contained in SR-TSV-002275. Companies should provide the name of their Synchronization Coordinator to the ICCF for inclusion in its Synchronization Directory.

Implementation Target Date
Incumbent Service Providers: Now and as personnel changes occur.
New Service Providers: During the service design/development phase of implementation.

Recommendation 2

Companies should comply with the synchronization standards addressed in the ANSI Standard T1.101, entitled "Digital Network Synchronization."

Implementation Target Date

Incumbent Service Providers: Now.
New Service Providers: During the network design phase of the business plan execution.

Recommendation 3

Industry standards should be the foundation for any network interconnections. Any carrier wishing to interconnect with another carrier should mutually agree upon industry specifications. See Section 5.6 for the recommended interface specification template.

Implementation Target Date
Incumbent Service Providers: NA
New Service Providers: Not later than the bilateral agreement development.

Recommendation 4

Wireless carriers should participate in, or be represented in, the standards process so that needs will be met in a timely and effective manner. Areas of particular interest to oversee include:

- Prioritize standards work efforts
- Ensure standards address reliability and performance concerns
- Increase velocity of standards development to meet service providers' needs
- Improve processes to ensure overall quality within and between standards bodies

Implementation Target Date
Incumbent Service Providers: Ongoing.
New Service Providers: During the network design phase of the business plan execution.

Recommendation 5

Within the wireless "cellular" industry, many interconnection standards and processes are already in place. They should be adapted or extended, as appropriate, to accommodate the needs of new PCS carriers.

Implementation Target Date
Incumbent Service Providers: NA
New Service Providers: During the network design phase of the business plan execution.

Recommendation 6

Interoperability testing by equipment suppliers and service providers should be performed prior to service turn up to ensure successful and reliable interconnections. See Section 5.6 - Templates for the recommended set of issues to be addressed in a bilateral agreement governing testing, implementation, operations coordination and related activities. Bilateral agreements governing test and turn up procedures are needed so that existing services are not interrupted when new interconnections are established. Bilateral agreements also help to ensure continuity of operations. Some issues to address in testing include:

- Product operation and functionality
- Interoperability to establish operation across an interface, per Standards
- Performance under stress and anomalies

Implementation Target Date
Incumbent Service Providers: Ongoing.
New Service Providers: Not later than the bilateral agreement development.

Recommendation 7

Some testing is applicable for nationally-coordinated efforts so that all carriers and equipment manufacturers benefit without an undue outlay of resources and time. Cellular carriers should participate directly or through representation by an industry association(s). Some of the nationally coordinated testing currently taking place includes:

- IITP (SS7 ISUP)
- AGNI (IS-41)

Implementation Target Date
Incumbent Service Providers: As the technology and industry indicates.
New Service Providers: As the technology and industry indicates.

Recommendation 8

Inter-company OAM&P processes should continue to evolve so that carriers can effectively establish and maintain service across a network interface. Key components of this recommendation include:

- Service Providers' key role (e.g., 24x7x52 surveillance center)
- Qualified individual(s) to maintain an SS7 node and an SS7 network, including IS-41 and ISUP as required. (See SNS Best Practices.)
- Existing fora and associations' assisting role in developing guidelines and practices for use by interconnecting networks to foster network reliability
- Up-to-date Disaster Recovery Plan (ref. NOF Reference Document Section VI Network Management Guidelines and Contact Directory and its Appendix A Emergency SS7 Restoration)
- Including contact information in the following Contact Directories of the NOF Reference Document Section VI Network Management Guidelines and Contact Directories
  - Network Management Contacts
  - Catastrophic SS7 Failure/Restoration Contacts
  - Media Stimulated Calling Event Contacts
  - LIDB Contacts
  - Mutual Aid Contacts

Implementation Target Date
Incumbent Service Providers: Ongoing
New Service Providers: Not later than the bilateral agreement development.

SATELLITE

Recommendation 1

Each company should appoint a Synchronization Coordinator for its company who will perform the responsibilities contained in TR-NPL-0002275. Companies should provide the name of their Synchronization Coordinator to the ICCF for inclusion in its Synchronization Directory.

Implementation Target Date
Incumbent Service Providers: Now.
New Service Providers: During the network design stage of the new network.

Recommendation 2

Companies should comply with the synchronization standards addressed in ANSI Standard T1.101, entitled "Digital Network Synchronization."

Implementation Target Date
Incumbent Service Providers: Now and as personnel changes occur.

New Service Providers: During the network design stage of the new network.

Recommendation 3

Satellite service providers are encouraged to continue their reliance on existing standards and interface specifications, bilateral agreements and end-to-end testing to define and verify performance and reliability requirements.

Implementation Target Date
Incumbent Service Providers: N/A
New Service Providers: During the service design/development phase of implementation.

Recommendation 4

Satellite service providers are encouraged to participate in existing standards bodies and industry fora to ensure future standards accommodate their requirements.

Implementation Target Date
Incumbent Service Providers: Begin 1Q96.
New Service Providers: During the service design/development phase of implementation.

Recommendation 5

The newly-formed Satellite Industry Association (SIA) should be encouraged to interface with existing standards bodies and industry fora to ensure interoperability and reliability issues are properly addressed.

Implementation Target Date
During the service design/development planning phase by the first associated member.

CABLE

Recommendation 1

Appropriate safeguards or firewalls should be implemented so that problems from one network are not spread to another. Additionally, the creation of new network elements used to support the physical channel should meet current loop performance requirements.

Implementation Target Date
Incumbent Service Providers: Before the field trial of any new network interconnection.
New Service Providers: During the new network design stage.

Recommendation: 2

Cable telephony providers should comply with generally accepted industry standards and processes when connecting to the PSTN, as described in the wireline section of this report.

Implementation Target Date
Incumbent Service Providers: Now and continuously going forward.
New Service Providers: During the network design stage.

Recommendation 3

When interconnection begins between cable networks and the PSTN, appropriate safeguards should be developed to avoid propagation of OAM&P problems into each other's networks . Information sharing is essential.

Implementation Target Date
Incumbent Service Providers: Incorporate any changes before interconnection modification.
New Service Providers: During the network interconnection design phase.

Recommendation 4

Cable companies should appoint a Synchronization Coordinator for their company who will perform the responsibilities contained in TR-NPL-002275. Companies should provide the name of their Synchronization Coordinator to the ICCF for inclusion in its Synchronization Directory.

Implementation Target Date
Incumbent Service Providers: Now and as personnel changes occur.
New Service Providers: During the network design stage of the new network.

Recommendation 5

Companies should comply with the synchronization standards addressed in ANSI Standard T1.101, entitled "Digital Network Synchronization."

Implementation Target Date
Incumbent Service Providers: Now and as personnel changes occur.
New Service Providers: During the network design stage of the new network.

Recommendation 6

To control overflow traffic conditions from adversely impacting interconnected networks, interconnected network providers should utilize network surveillance and monitoring. In addition, companies should follow the guidelines for advanced notification of media-stimulated call-in events as outlined in Section 6 of the NOF Reference

Document concerning Media Stimulated Call-in Events. Further, interconnecting companies should include a contact name for inclusion in the Media Stimulated Call-in Event Contact Directory. Finally, interconnecting companies should address the control of overflow conditions in their bilateral agreements.

Implementation Target Date
Incumbent Service Providers: Update information and process assurances annually.
New Service Providers: During the network implementation development stage.

Recommendation 7

Cable companies need to participate in industry fora such as ICCF and NOF and should appoint a mutual aid coordinator to be included in the "NOF" mutual aid contact directory. Engineering practices need to reflect the fact that they are interconnecting with other service providers and that overload conditions on their network can impact those to which they are interconnected.

Implementation Target Date
Incumbent Service Providers: Now and with annual reviews.
New Service Providers: During the network operations management plans development stage.

INDUSTRY STANDARDS

Recommendation 1

Use of a network interface specification template is advised when a new network interface is identified for standardization. Standards bodies should use this type of template in developing the initial Standards Project Plan(s) for new interfaces to address the important areas for interconnection reliability. An example template for standards development planning is contained in Section 5.6.

Implementation Target Date: Now.

Recommendation 2

Industry associations, such as ATIS and TIA, should consider the value of incorporating performance requirements for complex network elements with the interface standards requirements. Also, the associations should consider how such requirements should be developed and funded.

Implementation Target Date: Now

Recommendation 3

A careful technical and editorial review process, similar to and expanding upon the TIA/T1 JTC Validation and Verification process, should be utilized for all standards which have the potential for impacting network interconnection reliability to ensure technical clarity and consistency. This would be an appropriate method to validate technical adequacy in meeting the intent of the interconnection reliability template and project plan described in Recommendation 1. Exhibit 9 is the TIA/T1 JTC procedure.

Implementation Target Date: Now

Recommendation 4

Wherever appropriate, standards bodies should work with other industry groups that use standards, such as the ATM Forum, to more precisely define standards requirements and minimize complexity and optionality. Excessive optionality can be dealt with through an appropriate contribution to the affected standards committee. The Network Interface Specification, contained in Appendix 4 of this report, should also be used by industry forums to further define, detail and approve implementation for the industry.

Implementation Target Date: Now

Recommendation 5

Interconnecting network operators should consider using interface survivability designs with redundancy and diversity such as those outlined in "A Technical Report on Network Survivability Performance" (Committee T1 Report No. 24).

Implementation Target Date
Incumbent Service Providers: Now.
New Service Providers: During the design phase of the service implementation plan.

Recommendation 6

New network providers are encouraged to participate in existing telecommunications industry standards processes, either directly or through associations, via membership or contributions to Committee T1 or TIA.

Implementation Target Date: Prior to the design phase of the service implementation plan.

Recommendation 7

Where adequate network interface standards exist, suppliers should develop and evolve their products to meet those standards. If interface standards are not established, network service providers and network equipment suppliers should actively participate in the development of robust network interface standards.

Implementation Target Date: Now.

Recommendation 8

Interconnecting network providers should utilize industry-proven interconnection standards.

Implementation Target Date: Now.

Recommendation 9

While standards are generally voluntary, increased emphasis should be placed on the value of compliance in ensuring network interoperability and reliability. However, in the case of public safety concerns, standards are identified with a "mandatory" emphasis.

Implementation Target Date: Now.

Recommendation 10

The most effective means to accelerate the standards development process is to ensure new standards work has sharp technical focus, clear standards deliverables, plus final and interim milestones for those deliverables. Exhibits 6 and 7 contain information on standards project proposals and project tracking based on this recommendation.

Implementation Target Date: Now.

Recommendation 11

By year end 1996 all telecommunications standards bodies should implement interactive electronic access methods to expedite the submission, creation, acceptance, review and finalization of technical standards. This is already underway but a completion date has not been specified.

Implementation Target Date: Year end 1996.

Recommendation 12

The Forum Process should be employed by the industry and companies/agencies to foster innovation and to produce contributions to the development of standards, not in lieu of standards. Industry forums have been instrumental in specifying implementation agreements.

Implementation Target Date: As identified.

Recommendation 13

Industry associations /fora, such as ATIS, TIA, ATM Forum, etc. should sponsor early (pre-standardization) industry interactions on emerging technology and service concepts. (It was agreed that an initial "industry needs" framework would provide parallel inputs to industry standards activities and the development of generic requirements for network elements.)

Implementation Target Date: Annually.

Recommendation 14

Industry associations, such as ATIS and TIA, should determine how the necessary generic requirements, described in Recommendation 13, should be developed, funded, approved and maintained. This approach will promote compatibility between standards and generic requirements.

Implementation Target Date: Year end 1997.

Recommendation 15

Bilateral agreements should be developed and put in place before networks interconnect in order to ensure reliable interconnection and interoperability. In addition, the forum process (e.g., NOF, ICCF) provides the framework for developing national technical and operational industry agreements for new network interconnections. Participants in these agreements should demonstrate compatibility with established industry standards, procedures and processes as a condition for interconnection. Exhibit 8 provides a Model Process for SS7 Network Interconnection. Appendix 4 is a template for such a bilateral agreement.

Implementation Target Date: During the operational design phase of interconnection planning.

NETWORK INTEROPERABILITY TESTING and FUNDING

Recommendation 1

This task group reaffirms the NRC 1 recommendation to continue the IITP cooperative industry relationships. The interconnection management test coordination processes should be institutionalized to permit continual evolution to address national network testing requirements.

Implementation Target Date: Now and then continuing.

Recommendation 2

The existing industry fora (e.g., ATIS-Network Operations Forum and CTIA-Advisory Group for Network Issues) should continue to be used proactively by existing and new service providers and manufacturers for recommending and planning network interoperability testing to ensure service compatibility and reliability across common interfaces.

Implementation Target Date: Now and then continuing.

Recommendation 3

The existing IITP (Inter-network Interoperability Test Plan) program should evolve as the basis of the future IITC function. The present focus on interoperability vulnerabilities in the signaling networks should continue, but the focus should also be broadened to consider other high risk and critical interfaces resulting from the introduction of increased network interconnections and new technologies. (This recommendation is not meant to preclude the obvious need for industry specific or technology-specific testing where there is no logical reason for IITC nationally coordinated testing.)

Implementation Target Date: Transition to take place during 1996.

Recommendation 4

Once the IITC is operational, manufacturers and service providers will participate in the management and conduct of on-going nationally coordinated interconnection testing.

Implementation Target Date: Continuing under the IITP and then transition to IITC during 1996.

Recommendation 5

The telecommunications industry should fund and manage the IITC. (See Chart #2, National Interoperability Test Management and Section 7.5.) A Steering Committee will be staffed by industry executive volunteers, as outlined in Recommendation 6 of this section, to oversee this organization.

Implementation Target Date: 2Q96 start.

nancially self-supporting organization within the Alliance for Telecommunications ness structure, at least initially and be similar to the ATIS method now used for the roperability Forum (SIF) groups. ATIS administrative costs would be covered by a lined in recommendation 7. of this section.

Q96 start.

d be collected from telecommunications carriers and equipment manufacturers to coordination function. (The fees would fund activities similar to those accomplished P role as coordinator and Hub Provider and the administrative costs indicated in 1 and 7.5.2 for the detailed funding and reporting presentation.)

Q96 start.

y associations should identify technical management representatives selected by their g committees to serve on a steering committee that would manage the IITC financial rioritize testing activities and provide overall management guidance of this industry-

)96 start.

izations should continue their present responsibilities and financial support for the lination until the new IITC function is operational. (See Section 1.1.7)

ntinue through 1996 or until transferred to the industry.

ue is believed to be one of several potential industry-wide initiatives driven by the nt. Therefore, the FCC should consider a more appropriate long-term method of her additional industry funding requirements, e.g., NANPA administration, that will nterconnection, if the recommended methods do not provide adequate funding.

ring 1996.

Recommendation 11

Based on approval of this plan, the NRC chairman is requested to initiate the appropriate IITC formation processes necessary to establish the organization.

Implementation Target Date: Not later than second quarter 1996, in time to allow operational readiness for 1997.

TEMPLATES

Recommendation 1

The NOF is the suggested custodian of the Network Interconnection Bilateral Agreement Template. Other organizations may also find the processes that evolve from this template useful and are encouraged to make use of and enhance it.

Implementation Target Date: 2Q96 start.

Recommendation 2

The ICCF is the suggested custodian of the Network Interface Specification Template. Other organizations may also find the processes that evolve from this template useful and are encouraged to make use of and enhance it.

Implementation Target Date: 2Q96 start.

Appendix 4

INCREASED NETWORK INTER-CONNECTION

TASK GROUP II

MISSION STATEMENT

To research, develop, analyze and recommend technical and operational considerations to ensure continued reliability of interconnected networks and systems.

CHARTER

Utilizing a broad representation of communications companies, draw on past work and forecasts of knowledgeable people and research to determine current and possible future root cause issues affecting the reliability of interconnected networks and systems. Develop methods to ensure service reliability as more service providers become part of the evolving "national network." Investigate the reliability concerns arising from expanded interconnection of networks, particularly satellite, cable and wireless networks.

Determine and recommend methods to ensure reliability criteria are integrated into all components of the service and equipment design, standards, construction, implementation and on-going operation. (Integration testing to ensure inter-operability is one factor, compliance to hardware and software standards and conformance to operating conventions are others.)

BELLSOUTH TELECOMMUNICATIONS, INC.

REBUTTAL TESTIMONY OF ROBERT C. SCHEYE

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 960833-TP

AUGUST 30, 1996

Q. PLEASE STATE YOUR NAME, ADDRESS AND POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. (HEREINAFTER REFERRED TO AS "BELLSOUTH" OR "THE COMPANY").

A. My name is Robert C. Scheye and I am employed by BellSouth as a Senior Director in Strategic Management. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. HAVE YOU PREVIOUSLY FILED TESTIMONY IN THIS DOCKET?

A. Yes. I filed direct testimony on behalf of BellSouth on August 12, 1996.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. The purpose of my testimony is to address the positions taken by various AT&T witnesses in their direct testimony on the issues in this arbitration proceeding. In addition, I will respond to some issues raised in the supplemental testimony filed by AT&T on August 23, 1996 concerning AT&T's interpretation of the Federal Communication Commission's ("FCC")

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identified in this docket and BST's position on those issues. BST's assessment is based on the presumption that the FCC's Order remains in effect as issued and is not subsequently modified. Since BST has not completed its analysis of the Order, nor have we determined if all of the provisions of the Order are consistent with the Telecommunications Act of 1996 ("the Act"), we have not decided what, if any, legal actions we will take concerning the Order.

Q. WHAT IS BELLSOUTH'S GENERAL ASSESSMENT OF THE ORDER?

A. As I stated in my testimony filed in Docket No. 960757 - TP, the Order appears to be regulatory micromanagement of the telecommunications industry which is inconsistent with the Act. Congress clearly intended less regulation and rapid opening of markets. BST has attempted to help reach this goal by negotiating interconnection agreements with many of its potential competitors and opening its network to competition. The FCC's approach may be the biggest barrier to the development of facilities based competition that results from the implementation of the Act and surely was not the intended result of Congress.

Q. WHAT IN THE FCC'S APPROACH PRESENTS A BARRIER TO THE DEVELOPMENT OF FACILITIES BASED COMPETITION?

A. The best example lies in the pricing of unbundled network components which BST must provide to competitors. If the FCC's methodology of pricing these

elements on the basis of forward-looking, incremental costs (plus a portion of forward looking joint and common costs) stands, by definition, no other carrier will be able to provide its own network any cheaper than it can obtain access to the existing one. In fact, in light of BST's economies of scale which no other carrier may want to, or be able to, duplicate, it may be that no other carrier can provide its own facilities as cheaply as they could buy them from BST. Despite claims that network control issues may motivate carriers to build-out their own network, simple economics - the real basis for investment decisions - says otherwise.

Q. WHAT IS THE AFFECT OF THE ORDER ON THE ROLE AND JURISDICTION OF THE STATE COMMISSIONS?

A. BST has always believed the states would play a critical role in implementing the Act. BST has and is working with each of the state commissions to meet their specific needs in fulfilling those responsibilities. BST is concerned that this important function will be undermined by many of the provisions of this Order. State commissions have a better view than the FCC of how to promote competition in the states. The FCC's dictating such fundamental things as resale discounts, particularly in a manner that is inconsistent on its face with the Act, simply eviscerates the role of the state commissions. While the FCC's recent statements refer to a close association with the states and reliance on

decisions reached at the state level, the Rules in this Order appear to significantly restrict state commission latitude.

Q. DOES THE FCC'S ORDER HAVE ANY AFFECT ON THE CONDUCT OF STATE PROCEEDINGS?

A. Yes. BST is concerned that, although the Act established discretion and flexibility for the state commissions to exercise, the FCC's Order appears to limit, excessively and inappropriately, this role. BST's initial assessment of the Order finds little left to the true discretion of the states. Indeed, the only thing left, not surprisingly, to the sole discretion of the states, is the amount ratepayers can be charged for basic local service. The FCC has issued Rules, in excruciating detail, which appear to substantially limit a state's ability to carry out its role established by the Act. In addition to the resale discount mentioned above, a few examples of areas where the state's role has been diminished, if not essentially eliminated, are:

-The states' ability to encourage facilities-based local competition;

-Setting prices of unbundled elements;

-The states' regulation of intrastate access;

-The states' ability to allow a local exchange carrier (LEC) to assess CMRS providers for LEC originated traffic; and

-The states' ability to determine pricing rules for the transport and termination of traffic.

No doubt, given the general tenor of the Rules, there are significant other areas in which state commissions have traditionally had authority which is now lost to them.

Q. WHAT ARE THE IMPLICATIONS OF THE FCC'S PRICING MODEL FOR RATEPAYERS?

A. The most obvious is that while some ratepayers may benefit from reduced rates, not everyone will. BST ultimately must recover its costs of doing business--its real costs, not only its forward-looking incremental costs. It will not recover its investment from intermediary services or network elements provided to competitors. Its retail rates in urban and, perhaps to a lesser extent, in suburban areas, will be disciplined by competition. So, it is the rural ratepayer who will bear the brunt of BST's need to recover its true costs.

Q. HAS BST CHANGED ANY OF ITS POSITIONS AS A RESULT OF THE ORDER?

A. We have not, although in the absence of a court or FCC order to the contrary, we and this Commission may be forced to accept different results than those we have proposed. I would also note that, as has been previously stated, a full assessment of the impact of the FCC's Order and Rules is not complete. It may

well be that, after a more complete review is accomplished and decisions about the legal appropriateness of the Order and Rules are decided, it may be appropriate to change our positions. We are simply not in a position to do so now. I can say now, however, that it is clear that there are major conflicts between the Order and Rules and the Act.

Q. CAN YOU GIVE EXAMPLES WHERE, IN YOUR OPINION, THE RULES DO NOT COMPORT WITH THE ACT?

A. Yes. Two examples of where the FCC's Rules appear not to be consistent with the Act are the identification of vertical services as unbundled network elements and the development of the wholesale discount rate.

In the first example, the FCC has defined vertical services as unbundled network elements. They have done this by including the vertical services as a part of the unbundled local switching capability and specified that these services should be priced at very low levels. It appears that BST will be unable to recover even the costs of providing some of these features through the rates allowed by the FCC. Not recovering the costs of providing an unbundled element is not consistent with the Act. In addition, the states are given no capability to manage any revenue loss caused by this Rule.

In the second example, the FCC has established the methodology to determine the avoided costs associated with the resale process. In its methodology the

FCC uses costs that it considers reasonably avoidable in the development of the wholesale discount rate. This appears to be inconsistent in two ways. First, although the FCC gives its rationale for establishing national rules on this issue, Section 252(d)(3) of the Act states, "a State commission shall determine wholesale rates..." In addition, the Act, in the same section, goes on to say that the wholesale rates will be determined on the basis of retail rates charged to subscribers excluding costs that will be avoided by the local exchange carrier. The FCC itself, in the discussion portion of the Order, recognizes that costs that are reasonably avoidable and indeed different than costs that will be avoided.

Q. ARE THERE ISSUES THAT BST BELIEVES WERE RAISED BY AT&T IN THIS ARBITRATION PROCEEDING THAT ARE NOT ADDRESSED BY THE FCC'S RULES?

A. Yes. The Order appears to be silent on Issues 3(b), 5, 12, 19, 20, 23, and 24 as set forth in the issues list dated 8/2/96. Since the Order has no impact on these issues and therefore will not affect the FPSC's process, the FPSC can accept BST's position on these issues without regard to any consequences from the FCC Order. A brief discussion of these issues is included in my testimony for completeness.

Q. HOW IS THE REMAINDER OF YOUR TESTIMONY ORGANIZED?

A. The remainder of my testimony addresses the specific issues identified in this docket. The testimony is divided into four sections:

A: Resale,

B: Interconnection,

C: Unbundled Network Elements, and

D: Additional Interconnection Requirements and Issues.

In each section, each issue is stated as it is in the proposed list of issues, dated 8-2-96; the BST position is stated briefly; and BST's preliminary assessment of the impact of the Order is given for each issue. I have also attached Section 51 of the Final Rules as Exhibit AJV-1.

Again, though, while we are attempting to identify the impact of the FCC's Order and Rules on these matters, we are not conceding that the FCC's position is correct or should be adopted in this proceeding. The Order and Rules will likely be attacked in various ways and through all available channels. BellSouth believes that its positions should be sustained in the meanwhile.

A: RESALE

Issue 1: WHAT SERVICES PROVIDED BY BELLSOUTH, IF ANY, SHOULD BE EXCLUDED FROM RESALE?

BellSouth Position: In accordance with Section 251(c)(4)(A) of the Act, BellSouth must "offer for resale at wholesale rates any telecommunications

service that the carrier provides at retail to subscribers who are not telecommunications carriers...." Certain options or service offerings which are not retail services or have other special characteristics should be excluded from resale. These include contract service arrangements, promotions, grandfathered or obsoleted services, LifeLine assistance programs, N11 service, and E911/911 services.

Assessment of Order: Section 51.605 of the Final Rules says that an incumbent LEC cannot impose restrictions on the resale of telecommunications services offered by the incumbent LEC except as provided in Section 51.613. Section 51.615 refers to the withdrawal of services and states, "[w]hen an incumbent LEC makes a telecommunications service available only to a limited group of customers that have purchased such a service in the past, the incumbent LEC must also make such a service available at wholesale rates to requesting carriers to offer on a resale basis to the same limited group of customers that have purchased such a service in the past." Sub-paragraph (a) of Section 51.613 states that specific restrictions regarding cross-class selling may be permitted by the state commission and that short term promotions are exempt from the wholesale rate. Section 51.613 (b) goes on to state, "[w]ith respect to any restrictions on resale not permitted under paragraph (a), an incumbent LEC may impose a restriction only if it proves to the state commission that the restriction is reasonable and nondiscriminatory."

As a preliminary conclusion, BST believes that all of our proposed service restrictions are permissible under paragraph 51.613(b) of the Rules. Based on the discussion presented in Mr. Scheye's direct testimony in this proceeding, BST believes that the restrictions that it proposes are narrowly tailored, reasonable, and nondiscriminatory and, therefore, are permitted by the Order. BST's position is consistent with the FCC's Order and we urge this Commission to approve our proposal.

Issue 2: WHAT TERMS AND CONDITIONS, INCLUDING USE AND USER RESTRICTIONS, IF ANY, SHOULD BE APPLIED TO RESALE OF BELLSOUTH SERVICES?

BellSouth Position: Any use or user restrictions or terms and conditions found in the relevant tariff of the service being resold should apply. Use and user restrictions as well as terms and conditions are integral components of the retail service that is being resold. These terms and conditions do not impose unreasonable or discriminatory conditions on the resale of these services and may be reflected in the rates being charged, and hence should be carried through with the discount. Elimination of the terms and conditions may affect the pricing or even the general availability of the service. An example of a service with this type limitation is Saver Service, which is a discounted toll service, priced based on the use of the retail end user. If it can be used by multiple end users and the usage aggregated, then change in demand could

certainly impact its pricing.

Assessment of Order: Our assessment of the Order here is the same as it is for Issue 1. Section 51.613(b) allows an incumbent LEC to impose restrictions if it proves to the state commission that they are reasonable and nondiscriminatory. Based on our preliminary analysis, we believe the terms and conditions limitations requested by BST and discussed in Mr. Scheye's direct testimony, are reasonable and nondiscriminatory, permitted by the Rules, and should be allowed by this Commission.

Issue 2 Unresolved: SHOULD BELLSOUTH BE REQUIRED TO PROVIDE REAL-TIME AND INTERACTIVE ACCESS VIA ELECTRONIC INTERFACES TO PERFORM THE FOLLOWING: PRE-SERVICE ORDERING, SERVICE TROUBLE REPORTING, SERVICE ORDER PROCESSING AND PROVISIONING, CUSTOMER USAGE DATA TRANSFER, LOCAL ACCOUNT MAINTENANCE? IF SO, FOR WHAT PROCESSES AND IN WHAT TIME FRAME SHOULD THEY BE DEPLOYED? WHAT SHOULD BE THE METHODS AND PROCEDURES FOR DELIVERY OF OPERATIONAL INTERFACES?

BellSouth Position: BellSouth has made available or has under active development electronic interfaces for ordering and provisioning, pre-ordering, trouble reporting and billing data. For ordering and trouble reporting with

regard to unbundled elements, BellSouth is providing functionality similar to the processes that have worked effectively in the exchange access world. BellSouth has established interfaces to allow ALECs to obtain pre-ordering information electronically. BellSouth has also provided electronic customer usage data transfer and is modifying its original design to accommodate AT&T's requests. The details of these interfaces and other work efforts were contained in the direct testimony of Ms. Calhoun filed on August 12, 1996.

Assessment of Order: Paragraph 51.313 (c) of the Rules states that as a just, reasonable and nondiscriminatory term and condition for the provision of unbundled network elements, "[a]n incumbent LEC must provide a carrier purchasing access to unbundled network elements with the pre-ordering, ordering, provisioning, maintenance and repair, and billing functions of the incumbent LEC's operations support systems." Paragraphs 517 and 518 of the Order discuss that nondiscriminatory access to operations support systems functions could be viewed as a "term and condition" of unbundling other network elements under section 251(c)(3), or resale under section 251(c)(4) of the Act. Paragraph 51.603 provides that "[a] LEC shall make its telecommunications services available for resale to requesting telecommunications carriers on terms and conditions that are reasonable and non-discriminatory."

The FCC also concludes in its Order that providing nondiscriminatory access to operations support systems functions is technically feasible and that all incumbent LECs that currently do not comply with this requirement must do so as expeditiously as possible, but in any event no later that January 1, 1997.

The FCC appears to be in favor of the use of national standards so that all transactions between telecommunications companies may be processed via nationally standardized electronic gateways. The FCC proposes to monitor closely the progress of industry organizations as they implement the rules adopted in this proceeding.

As discussed in Ms. Calhoun's direct testimony, BST has already made available or has under accelerated development electronic operational interfaces for ordering and provisioning, pre-ordering, trouble reporting, and billing data and is in overall compliance with the FCC Order. BST believes that January 1, 1997 is an unrealistic date to require completion of this project. Should the FCC Order stand as it is, BST would have to provide all of the electronic operational interfaces identified in this issue by January 1, 1997 to be in compliance.

BST believes that its existing electronic interfaces to support ALECs, as well as those under development, are in overall compliance with the precepts described in the FCC Order and in compliance with national standards, where

they exist. Where new standards will be required as a result of the FCC's Order, BST will continue its active role in the appropriate industry committees to develop such standards.

Contrary to the general compliance with the Order on this issue, however, the Company does believe that the FCC's requirement to provide electronic access to all operational support functionality by January 1, 1997 is unrealistic. The implementation timeline for each electronic interface is based on the complexity of the requirements associated with that specific functionality. BST has provided a realistic, firm schedule based on the actual work to be done, as identified in the analysis and design phase of system development. Even the Georgia Public Service Commission, in amending its initial implementation date, recognized the fact that timing can only be determined on the basis of a detailed analysis and design of each electronic interface.

Issue 3(a): WHEN AT&T RESELLS BELLSOUTH'S SERVICES, IS IT TECHNICALLY FEASIBLE OR OTHERWISE APPROPRIATE TO BRAND OPERATOR SERVICES AND DIRECTORY SERVICES CALLS THAT ARE INITIATED FROM THOSE RESOLD SERVICES?

BellSouth Position: Branding is not required by the Act and is not required to promote competition. BST cannot offer branding for AT&T or other resellers when providing resold local exchange service because BST will not be able to

distinguish calls of AT&T resold customers from calls of customers of other local resellers, or from BST. Mr. Milner's direct testimony in this docket describes a significant problem with AT&T's request in that it is not technically feasible.

Assessment of Order: Paragraph 877 of the Order states, "section 251(c)(4) does not impose on incumbent LECs the obligation to disaggregate a retail service into more discrete retail services. The 1996 Act merely requires that any retail services offered to customers be made available for resale." Paragraph 51.613 (c) of the Rules then states, inconsistently, that the failure by an incumbent LEC to comply with reseller unbranding or rebranding requests is a restriction on resale. The paragraph does goes on, however, to state that an incumbent LEC may impose such a restriction if it proves to the state commission that the restriction is reasonable and nondiscriminatory, such as by proving to a state commission that the incumbent LEC lacks the capability to comply with unbranding or rebranding requests.

The direct testimony of Mr. Keith Milner shows that AT&T's request is not technically feasible and, therefore, BST lacks the capability to comply with the request even if it were otherwise appropriate. BST's position on this issue is, therefore, consistent with the FCC Rules and should be adopted by this Commission.

Issue 4: WHEN AT&T RESELLS BELLSOUTH'S LOCAL EXCHANGE SERVICE, IS IT TECHNICALLY FEASIBLE OR OTHERWISE APPROPRIATE TO ROUTE 0+ AND 0- CALLS TO AN OPERATOR OTHER THAN BELLSOUTH'S, TO ROUTE 411 AND 555-1212 DIRECTORY ASSISTANCE CALLS TO AN OPERATOR OTHER THAN BELLSOUTH'S, OR TO ROUTE 611 REPAIR CALLS TO A REPAIR CENTER OTHER THAN BELLSOUTH'S?

BellSouth Position: BellSouth will route calls to AT&T's requested service if AT&T provides the appropriate unique dialing arrangements. BellSouth's retail service includes access via specified 0, 411, and 611 dialing arrangements to BellSouth's operator, directory assistance, and repair service. Therefore, the resold services include the same functionalities. As stated, routing of calls to various operator providers through the same dialing arrangements is not technically feasible or otherwise appropriate. Call routing was described in detail in Mr. Milner's direct testimony.

Assessment of Order: The actual issue here appears to be whether or not BST can offer selective routing of calls that are made by customers of AT&T when using a resold BST service. The assessment of this issue is the same as the assessment on Issue 3(a). BST has shown, in compliance with the Rules, that

providing what is being requested by AT&T is not technically feasible and, therefore, does not have to be, and indeed cannot be, provided.

Issue 3(b): WHEN BELLSOUTH'S EMPLOYEES OR AGENTS INTERACT WITH AT&T'S CUSTOMERS WITH RESPECT TO A SERVICE PROVIDED BY BELLSOUTH ON BEHALF OF AT&T, WHAT TYPE OF BRANDING REQUIREMENTS ARE TECHNICALLY FEASIBLE OR OTHERWISE APPROPRIATE?

BellSouth Position: When BellSouth service technicians provide material, they will not provide customer information provided by AT&T, but generic access cards with the appropriate provider's name (AT&T). BellSouth personnel, when providing services on behalf of AT&T, will not market directly or indirectly to AT&T customers.

Assessment of Order: The Rules address branding. It is, however, limited to the areas of operator, call completion, and directory assistance services. It does not appear to consider what AT&T is requesting in this issue as branding and, therefore, is not covered by the Rules. This should not be surprising because what AT&T wants goes well beyond any requirements in the Act. BST's position put forth in its direct testimony can, and therefore should be, allowed by this Commission.

Issue 6: SHOULD BELLSOUTH BE REQUIRED TO PROVIDE NOTICE TO ITS WHOLESALE CUSTOMERS OF CHANGES TO BELLSOUTH'S SERVICES? IF SO, IN WHAT MANNER AND IN WHAT TIME FRAME?

BellSouth Position: BellSouth will provide notice to wholesale customers of changes in services offered for resale at the time BellSouth notifies its retail customers of such changes.

Assessment of Order: BST initially concludes that the Resale section of the Rules does not address this issue specifically and no reference is found in the Order. The Rules do state in Paragraph 51.603(b), "[a] LEC must provide services to requesting telecommunications carriers for resale that are equal in quality, **subject to the same conditions, and provided within the same provisioning time intervals** (emphasis added) that the LEC provides these services to others, including end users." If addressed at all, it appears that the Order confirms BST's position and, therefore, should be adopted by this Commission.

Issue 7: SHOULD PIC CHANGES RECEIVED FROM IXCs BE TREATED DIFFERENTLY FOR A BELLSOUTH EXCHANGE SERVICE BEING RESOLD BY AT&T THAN FOR A BELLSOUTH RETAIL

EXCHANGE SERVICE?

BellSouth Position: BellSouth plans to handle Primary Interexchange Carrier (PIC) requests for all resellers under the same guidelines and framework used to handle PIC requests today for IXCs.

Assessment of Order: The Rules do not specifically address the PIC. Paragraph 51.603 (a), however, states that services must be made available for resale on terms and conditions that are reasonable and non-discriminatory. Further, Paragraph 51.603(b) states, "[a] LEC must provide services to requesting telecommunications carriers for resale that are equal in quality, subject to the same conditions, and provided within the same provisioning time intervals that the LEC provides these services to others, including end users." Acceptance of AT&T's position, that BST not process long distance carrier designation changes sent to BST for AT&T customers served by resold services, certainly would not appear to be in compliance with the nondiscriminatory language of the Rules, and would appear to, in fact, give AT&T an unfair competitive advantage.

BST's proposed terms and conditions are both reasonable and nondiscriminatory towards all competitors, not just AT&T, and should be adopted by this Commission. Based on these preliminary observations, BST's position is consistent with the Order on this issue.

Issue 8: WHAT ARE THE APPROPRIATE WHOLESALE RATES FOR BELLSOUTH TO CHARGE WHEN AT&T PURCHASES BELLSOUTH'S RETAIL SERVICES FOR RESALE?

BellSouth Position: The Act requires that rates for resold services shall be based on retail rates minus the costs that will be avoided due to resale. BellSouth proposes a discount to be applied to both residential and business services based on avoided cost studies.

Assessment of Order: Wholesale pricing is addressed in Paragraphs 51.605 through 51.611 of the FCC's Rules. The Rules allow wholesale rates that are, at the election of the state commission, either consistent with the avoided cost methodology described in the Rules, or are interim wholesale rates, pursuant to the Rules.

The avoided cost methodology set forth in the Rules is different than the methodology used by BST in its original study submitted to this Commission and turns the pricing principle in the Act on its head. The Act clearly dictates the use of a "top down" approach to developing wholesale rates, and thus, the calculation begins with the retail rate and works down to the wholesale rate by deducting avoided costs. This is the only fair and logical approach, in light of the fact that BST's rates are not necessarily cost-based and reflect social

pricing considerations and a different competitive environment.

The FCC's approach, in essence, begins from the bottom and works up based on costs that a pure wholesaler would incur (though disguised in terms of reducing the retail rate by all costs that a pure wholesaler would not incur). As discussed earlier, this is clearly inconsistent with the Act.

It should be noted, however, that the rates originally submitted by BST are much closer to being consistent with the guidelines set forth in the Rules than those submitted by AT&T. Paragraph 914 of the Order says that a study may not calculate avoided costs based on non-cost factors or policy arguments nor can it make disallowances for reasons not provided in the Pricing Standards section of the Act. The Order specifically rejects several of AT&T's arguments for items that should be included in a discount.

The Rules also refer to one discount that applies to all retail services. The FCC does not, however, prohibit or require the development and state approval of other than a single, uniform discount rate for all services, as has been presented by BST.

BST believes that its original study is in compliance with the Federal Act. If the Order stands as issued on this subject, a new avoided cost study will be necessary. Included as Exhibit WSR-3 in the supplemental testimony, filed in

this docket by Mr. Walter Reid, BST submits a cost study performed based on the guidelines set forth in the Rules. BST does not propose to change wholesale discounts in accordance with this study. BST submits this study for information purposes only.

B. INTERCONNECTION

Issue 9: WHAT ARE THE APPROPRIATE TRUNKING ARRANGEMENTS BETWEEN AT&T AND BELLSOUTH FOR LOCAL INTERCONNECTION?

BellSouth Position: Each interconnecting party should have the right to determine the most efficient trunking arrangements for its network. Parties should be free to work together and establish two-way arrangements if both parties agree; however, such arrangements should not be mandated. Mr. Atherton addressed this issue in detail in his direct testimony.

Assessment of Order: As an initial assessment of Paragraph 51.305 (f) of the Rules, if technically feasible, BST must provide two-way trunking upon request.

Issue 10: WHAT SHOULD BE THE COMPENSATION MECHANISM FOR THE EXCHANGE OF LOCAL TRAFFIC BETWEEN AT&T AND BELLSOUTH?

BellSouth Position: The rate for the transport and termination of traffic should be set with recognition of the intrastate switched access rate. BellSouth has proposed interconnection rates based on these charges exclusive of the residual interconnection charge (RIC) and carrier common line (CCL) charge with a 105% cap applied on usage. BellSouth believes that the Act does not authorize a commission to mandate that a party accept bill and keep as the method of interconnection, eliminating the right to recover its costs.

Assessment of Order: Paragraph 51.705 of the Rules says that rates for transport and termination of local telecommunications traffic are to be established, at the election of the state commission, on the basis of: 1) the forward-looking economic costs of such offerings, using a cost study pursuant to the Rules; 2) default proxies as provided in the Rules; or 3) a bill-and-keep arrangement. Paragraph 51.503 provides the general pricing standard for interconnection. It states that rates are to be established , at the election of the state commission, pursuant to the forward looking economic cost-based methodology set forth in the Rules, or consistent with the proxy ceilings and ranges set forth in the Rules.

The rules for the forward-looking economic cost-based studies referred to in these sections are the same as those provided for unbundled network elements. Paragraph 51.713 of the Rules also gives the state commission the option to impose a bill-and-keep arrangement for reciprocal compensation if the commission determines that the amount of local telecommunications traffic from one network to the other is roughly balanced with the traffic flowing in the opposite direction, and is expected to remain so, and there has been no showing that rates should be asymmetrical.

If the state commission determines that the cost information available to it with respect to interconnection and transport and termination does not support adoption of rates that are consistent with the cost study procedures set forth in the Rules, it may establish rates for interconnection consistent with proxies specified in Paragraph 51.513 of the Rules or rates for transport and termination consistent with proxies specified in Paragraph 51.707 of the Rules. Any rate established in this manner is superseded once the state commission establishes rates based on an appropriate study or on a bill-and-keep arrangement for transport and termination.

If the Order stands as issued, our preliminary analysis concludes that BST will have to perform and submit cost studies to support its proposed rates, pursuant to the guidelines set forth in the Rules. No such cost studies are currently

available.

Until such time as cost studies are submitted and approved, the Commission may set rates based on the default proxies provided in the Rules. The rates proposed by BST are different than the default proxies provided in Paragraphs 51.513 and 51.707 of the Rules. Before using these, or any proxies, the FPSC should determine whether or not these proxies are consistent with the Act.

In addition, the Rules give the Commission the option of ordering a bill-and-keep arrangement with regard to transport and termination. As BST has repeatedly stated and demonstrated, bill-and-keep is not an appropriate cost recovery arrangement. BST does not believe that the Act permits bill-and-keep to be mandated. Certainly if mandating bill-and-keep is not authorized by the Act, it is not appropriate for the FCC's Order to allow state commissions to mandate such arrangements.

Issue 16: DO THE PROVISIONS OF SECTIONS 251 AND 252 APPLY TO THE PRICE OF EXCHANGE ACCESS? IF SO, WHAT IS THE APPROPRIATE RATE FOR EXCHANGE ACCESS?

BellSouth Position: Sections 251 and 252 of the Act do not apply to the price of exchange access. Therefore, BellSouth does not believe that the Commission can arbitrate this issue and it should be dismissed.

Assessment of Order: Our initial review concludes that the Order is very clear on this issue and leaves nothing to debate. In support of BST's position, Paragraph 51.305(b) of the Rules states, "[a] carrier that requests interconnection solely for the purpose of originating or terminating its interexchange traffic on an incumbent LEC's network and not for the purpose of providing to others telephone exchange service, exchange access service, or both, is not entitled to receive interconnection pursuant to section 251(c)(2) of the Act."

C. UNBUNDLED NETWORK ELEMENTS

Issue 11(a): ARE THE FOLLOWING ITEMS CONSIDERED TO BE NETWORK ELEMENTS, CAPABILITIES, OR FUNCTIONS? IF SO, IS IT TECHNICALLY FEASIBLE FOR BELLSOUTH TO PROVIDE AT&T WITH THESE ELEMENTS? (NETWORK INTERFACE DEVICE, LOOP DISTRIBUTION, LOOP CONCENTRATOR/MULTIPLEXER, LOOP FEEDER, LOCAL SWITCHING, OPERATOR SYSTEMS, DEDICATED TRANSPORT, COMMON TRANSPORT, TANDEM SWITCHING, SIGNALING LINK TRANSPORT, SIGNAL TRANSFER POINTS, SERVICE CONTROL POINTS/DATA BASES)

BellSouth Position: BellSouth and AT&T have agreed on the definitions and capabilities for four elements requested by AT&T -- tandem switching, signaling link transport, signal transfer points, and service control points/data bases. BellSouth has also agreed to provide unbundled loop facilities, unbundled local switching, operator systems, and dedicated transport, however, what BellSouth perceives as the definition of these elements is different than AT&T's perception. AT&T has requested that additional capabilities, i.e., sub-loop unbundling, be included in the definition of these unbundled elements. As discussed in Mr. Milner's direct testimony, these additional capabilities are not technically feasible.

Assessment of Order: Section D of the Rules discusses unbundling of network elements. It specifies that where technically feasible, access to unbundled network elements must be provided at just, reasonable and nondiscriminatory terms. Paragraph 51.319 provides a list of specific network elements that are to be offered on an unbundled basis. Those items are 1) local loop (without sub loop unbundling); 2) network interface device; 3) switching capability; 4) interoffice transmission facilities; 5) signaling networks (access to service control points through the unbundled STP) and call-related databases; 6) operation support systems functions; and 7) operator services and directory assistance. Our initial assessment concludes that these seven elements must be provided on an unbundled basis. Not included in this list are the sub loop

elements, i.e., loop distribution, loop concentrator/multiplexers, and loop feeder, and the service control points requested by AT&T.

Paragraph 51.317 establishes the standards for the states to follow to identify what additional network elements must be made available. Based on our initial analysis of the Rules and the discussions put forth in BST's direct testimony, it does not appear that AT&T's request for the unbundling of elements not included in Paragraph 51.319 meet the criteria specified in Paragraph 51.317 and should, therefore, not be required by this Commission.

Issue 13: SHOULD AT&T BE ALLOWED TO COMBINE BELLSOUTH'S UNBUNDLED NETWORK ELEMENTS TO RECREATE EXISTING BELLSOUTH SERVICES?

BellSouth Position: ALECs should be able to combine BellSouth provided elements with their own capabilities to create a unique service. However, they should not be able to use only BellSouth's unbundled elements to create the same functionality as a BellSouth existing service, i.e., it is not appropriate to combine BST's loop and port to create basic local exchange service.

Assessment of Order: Paragraph 51.315 of the Rules states that an incumbent LEC shall provide network elements in a manner that allows requesting telecommunications carriers to combine such network elements in order to

provide a telecommunications service. An incumbent LEC that denies a request to combine elements must prove to the state commission that the requested combination is not technically feasible or that the requested combination would impair the ability of other carriers to obtain access to unbundled network elements or to interconnect with the incumbent LEC's network.

Adoption of the FCC's Rules would clearly have a dramatic impact on, not only the resale of BST's services but also on, the development of facilities based competition. After our initial analysis, it appears clear that if the FCC's Rules are adopted as issued, BST's position on this issue will need to change.

Issue 11(b): WHAT SHOULD BE THE PRICE OF EACH OF THE ITEMS CONSIDERED TO BE NETWORK ELEMENTS, CAPABILITIES, OR FUNCTIONS?

BellSouth Position: The price of unbundled network elements according to the Act must be based on cost and may include a reasonable profit. Tariffed prices for existing, unbundled tariffed services meet this requirement and are the appropriate prices for these unbundled elements. The price for a new unbundled service should be set to recover its costs, provide contribution to shared and common costs and provide a reasonable profit.

Assessment of Order: The general pricing standards for elements is discussed in Paragraph 51.503 of the Rules. Elements must be offered at rates, terms, and conditions that are just, reasonable, and nondiscriminatory. The rates for each element an incumbent LEC offers shall comply with the rate structure set forth in the Rules. One significant requirement of the general rate structure standard included in Paragraph 51.507 is that, "[s]tate commissions shall establish different rates for elements in at least three defined geographic areas within the state to reflect geographic cost differences." Rates shall be established pursuant to the forward - looking economic cost pricing methodology set forth in the Rules, or consistent with the proxy ceilings and ranges in the Rules.

Based on our initial review and if the Order stands, BST must submit cost studies performed based on the guidelines set forth in the FCC's Rules. In addition, rates must be deaveraged for at least three geographic areas as determined by the state commission.

The Rules provide that until such time as cost studies are submitted and approved, the Commission may set rates based on default proxies that are provided in Paragraph 51.513. The rates proposed by BST are different than the default proxies provided in the Rules. As mentioned in the discussion of

Issue 10, before using these proxies, the FPSC should determine whether or not they are consistent with the Act.

Issue 12: **DO THE PROVISIONS OF SECTIONS 251 AND 252 APPLY TO ACCESS TO UNUSED TRANSMISSION MEDIA (E.G., DARK FIBER)? IF SO, WHAT ARE THE APPROPRIATE RATES, TERMS, AND CONDITIONS?**

BellSouth Position: BellSouth believes that AT&T is referring to dark or dry fiber only and knows of no other example of unused transmission facilities. Sections 251 and 252 do not apply to unused transmission media. Dry fiber is neither an unbundled network element, nor is it a retail telecommunications service to be resold. If it is not a network element and it is not a retail service, there is no other standard under the Act for its provision.

To be a retail service it must be currently available as a tariffed (or comparable) service offering. Dry fiber is not. To be an unbundled network element, it must contain some functionality inherent in BellSouth's network. Dry fiber is no more a network element than the four walls surrounding a switch are an unbundled element.

Assessment of Order: The Rules do not address dry fiber as an unbundled network element and, therefore, have no affect on BST's position.

Issue 15: WHAT ARE THE APPROPRIATE STANDARDS, IF ANY, FOR PERFORMANCE METRICS, SERVICE RESTORATION, AND QUALITY ASSURANCE RELATED TO SERVICE PROVIDED BY BELLSOUTH FOR RESALE AND FOR NETWORK ELEMENTS PROVIDED TO AT&T BY BELLSOUTH?

Issue 20: SHOULD BELLSOUTH BE REQUIRED TO PROVIDE PROCESS AND DATA QUALITY CERTIFICATION FOR CARRIER BILLING, DATA TRANSFER, AND ACCOUNT MAINTENANCE?

BellSouth Position: BellSouth will provide the same quality for services provided to AT&T and other ALECs that it provides to its own customers for comparable services. The current Commission rules for service quality and monitoring procedures should be used to address any concerns. It is premature to specify DMOQs until adequate experience is available. It is appropriate, however, to jointly develop quality measurements. Liquidated damages are not subject to arbitration.

Assessment of Order: BST preliminarily concludes that its position on Issue 15 appears to be consistent with the FCC's Order and Rules. Provisioning of unbundled network elements is covered in Paragraph 51.311 of the Rules. It states that the quality of unbundled network elements, as well as the quality of

the access, that an incumbent LEC provides to a requesting carrier shall be the same for all telecommunications carriers requesting access to that network element. It goes on to say that, to the extent technically feasible, the quality of the access to unbundled network elements must be at least equal in quality to that which the incumbent LEC provides to itself. Also, to the extent technically feasible, the quality of an unbundled network element as well as the quality of the access to the element, upon request, shall be superior to that which the incumbent LEC provides to itself.

Paragraph 311 of the Order discusses reporting requirements. The FCC believes that the record is insufficient at this time to adopt requirements. They do, however, encourage the states to adopt reporting requirements. In addition, in Paragraphs 124 - 129, the FCC discusses several options that parties have for seeking relief if they believe that a carrier has violated the standards under Section 251 or 252. These include bringing action in federal district court; using the section 208 complaint process; and seeking relief under the antitrust laws, other statutes, or common law.

On Issue 20, the Order appears to be silent on data quality certification. It does not appear that BST's position, that it will provide the same quality for services provided to its competitors that it provides to its own end users, needs to change.

D. ADDITIONAL INTERCONNECTION REQUIREMENTS AND ISSUES

Issue 14: IS IT APPROPRIATE FOR BELLSOUTH TO PROVIDE COPIES OF ENGINEERING RECORDS THAT INCLUDE CUSTOMER SPECIFIC INFORMATION WITH REGARD TO BELLSOUTH'S POLES, DUCTS, AND CONDUITS? HOW MUCH CAPACITY IS APPROPRIATE FOR BELLSOUTH TO RESERVE WITH REGARD TO ITS POLES, DUCTS AND CONDUITS?

BellSouth Position: BellSouth will provide structure occupancy information regarding conduits, poles, and other rights-of-way requested by AT&T and will allow designated AT&T personnel or agents to examine engineering records or drawings pertaining to such requests. It is reasonable for BellSouth to reserve in advance five years of capacity in a given facility. Mr. Milner provides additional detail on this issue in his direct testimony.

Assessment of Order: The Order does not appear to address the provision of engineering records. BST's position on this portion of the issue does not appear to be affected.

The Order does not appear to change existing portions of Section 224(f)(1), addressing reserve capacity. On this portion of the issue, it is unclear at this

time what the affect will be on BST's position. The FCC's Order addresses reserving capacity in Paragraph 1170. It states that section 224(f)(1) requires nondiscriminatory treatment of all providers of telecommunications or video services and does not contain an exception for the benefit of such a provider on account of its ownership or control of the facility or right - of - way. Paragraph 1170 goes on to say that permitting an incumbent LEC to, for example, reserve space for local exchange service, to the detriment of a would-be entrant into the local exchange business, would favor the future needs of the incumbent over the current needs of the new entrant. Section 224(f)(1) prohibits such discrimination among telecommunications carriers.

Issue 5: WHAT RATES SHOULD APPLY TO COLLECT, THIRD PARTY, INTRALATA AND INFORMATION SERVICE PROVIDER CALLS?

BellSouth Position: BST believes that this issue addresses AT&T's request for a uniform regional system for the processing of intraLATA collect and third number type calls in addition to information services calls. As BST understands, the regional system AT&T envisions would be uniform across states, call types and incumbent LECs. Although such a system may simplify matters for AT&T in processing these types of calls, such a uniform system for rating of calls for LECs, Independent Companies and other providers does not currently exist. Current systems are more state specific. BellSouth is investigating the feasibility of a uniform system. BST has no obligation,

however, to develop and implement a new system simply to meet AT&T's desire for uniformity.

Assessment of Order: This does not appear to be an interconnection issue and the Order does not appear to address it. It does not involve unbundled access to existing elements or resale of a retail service. BST has said that it will work with AT&T on its request and has no reason to change its position on this issue.

Issue 12 Unresolved: SHOULD BELLSOUTH BE REQUIRED TO PROVIDE COPIES OF ALL INTERCONNECTION AGREEMENTS ENTERED INTO BETWEEN BELLSOUTH AND OTHER CARRIERS?

BellSouth Position: The Act does not require that all previous interconnection agreements be filed with the Commission. The Act deals specifically with agreements resulting from a request for interconnection pursuant to Section 251. BellSouth will provide all agreements that have been negotiated pursuant to Section 251 once they become public.

Assessment of Order: Paragraph 51.303 addresses preexisting agreements. It states that,"[a]ll interconnection agreements between an incumbent LEC and a telecommunications carrier, including those negotiated before February 8, 1996, shall be submitted by the parties to the appropriate state commission for

approval pursuant to section 252(e) of the Act." It goes on in, sub-paragraph (b), to state that the interconnection agreements negotiated before February 8, 1996, between Class A carriers, shall be filed with the state commissions no later than June 30, 1997, or earlier if the state commission requires.

Our preliminary assessment concludes that BST will be required to file all negotiated interconnection agreements with the state commission if this portion of the Order stands. As previously stated, however, we do not believe that this is required by the Act.

Issue 19: SHOULD BELLSOUTH BE REQUIRED TO PROVIDE CARRIER BILLING USING INDUSTRY STANDARDS?

BellSouth Position: There is no industry standard requiring billing for services sold to resellers through the Carrier Access Billing System (CABS), nor is one imminent. Billing through the Customer Record Information System (CRIS) contains the necessary infrastructure to provide the line level detail associated with resold services. Ms. Calhoun addresses this issue and BellSouth's position in her direct testimony.

Assessment of Order: The Order and Rules do not cover this specific issue when addressing resale. In as much as this can be construed as a question or issue regarding provisioning, Paragraph 51.603(b) states, "[a] LEC must

provide services to requesting telecommunications carriers for resale that are equal in quality, subject to the same conditions, and provided within the same provisioning time intervals that the LEC provides these services to others, including end users." BST provides billing to its end users through CRIS. BST's position is certainly consistent with this portion of the Rules and should, therefore, be approved by the FPSC.

Issue 23: SHOULD BELLSOUTH BE REQUIRED TO PROVIDE INTERIM NUMBER PORTABILITY SOLUTIONS IN ADDITION TO REMOTE CALL FORWARDING?

BellSouth Position: BellSouth offers Remote Call Forwarding and Direct Inward Dialing as interim number portability solutions. In addition, Mr. Atherton's testimony addresses the Local Exchange Routing (LERG) solution requested by AT&T. He also discusses AT&T's request for a five minute conversion.

Assessment of Order: The rules governing number portability, according to Paragraph 51.203 of the Rules, are set forth in part 52, subpart C, of the FCC's Rules. The First Report and Order does not modify part 52 and, therefore, has no affect on BST's position.

Issue 24: WHAT ARE APPROPRIATE GENERAL TERMS AND CONDITIONS THAT SHOULD GOVERN THE ARBITRATION AGREEMENT (e.g. RESOLUTION OF DISPUTES, PERFORMANCE REQUIREMENTS, AND TREATMENT OF CONFIDENTIAL INFORMATION)?

BellSouth Position: Issues regarding the process, terms and conditions, confidentiality, or any other arbitration procedure should be resolved in a separate proceeding, preferably prior to the initiation of an arbitration request. This issue should not be included in this arbitration proceeding.

Assessment of Order: Our initial review revealed no mention of any specific conditions concerning the arbitration procedure. There appears to be no reason for BST's position on this issue to change, particularly as I stated in my direct testimony, since the Commission is addressing this issue as a separate undertaking.

Issue 25: SHOULD AT&T RECEIVE, FOR ITS CUSTOMERS, NONDISCRIMINATORY ACCESS TO WHITE AND YELLOW PAGE DIRECTORY LISTINGS?

BellSouth Position:. Because AT&T has reached agreement with BellSouth's directory publishing affiliate, BAPCO, on all issues covered under the Act,

BellSouth considers this issue moot. The Act requires inclusion of subscriber listings in White Pages directories as a checklist item. BellSouth has already agreed to ensure that AT&T and other ALEC subscribers' listings are included in the White Pages directories and BAPCO has contracted directly with AT&T to accomplish this purpose. Any Commission action beyond this agreed upon provision would affect the interests of BAPCO, as publisher, which is not a party to this proceeding.

BellSouth believes that the issue of placing a logo on a directory cover is not subject to arbitration under Section 251 of the Act, and is neither a telecommunications principle nor subject to the Commission's jurisdiction in this matter and, therefore, requests that the Commission not arbitrate this issue. AT&T should, as they have previously, attempt to negotiate this issue with BAPCO.

Assessment of Order: Although the Rules do address a white page directory listing in Paragraph 51.319(c), it is my understanding that, as stated above, based on an agreement reached between AT&T and BAPCO, all directory issues, except the one concerning logos, have been resolved. With respect to logos, neither the Order nor the Act create any rights or jurisdiction over this request by AT&T. BST's position should be accepted.

Q. WOULD YOU PLEASE SUMMARIZE YOUR TESTIMONY?

A. Yes. BST has completed its initial analysis of the FCC's First Report and Order issued in CC Docket No. 96-98. While more conclusive responses would obviously have been more helpful, the FCC's Order is extremely comprehensive and detailed. My testimony has provided BST's preliminary assessment on each of the issues established in this docket. Based on that assessment, our positions on Issues 1, 2, 3(a), 4, 6, 7, 11(a), 15, 16, and 25 appear to be consistent with the Order as it has been issued. BST urges this Commission to accept the Company's position on these issues, as well as the positions on those issues referred to earlier in my testimony that do not appear to be addressed by the Order.

This testimony, in general, has not attempted to identify the extent to which the Order comports with the Act. This is, however, one of the most important considerations to be made with regard to the Order and Rules.

My testimony has made the point on several issues of "if the Order stands as issued". Many significant changes may be seen in the Order and Rules before they are final. BST is not suggesting that the Order be ignored, however, the FPSC must continue to exercise its authority in carrying out what it judges to be its responsibilities in the implementation of the Act.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	File No. EB-00-IH-0134
	)	Acct. No. X32080035
BellSouth Corporation	)	

ORDER

Adopted: October 27, 2000 Released: November 2, 2000

By the Commission: Commissioner Furchtgott-Roth dissenting and issuing a statement.

1. In this Order, we terminate an informal investigation into potential violations by BellSouth Corporation (BellSouth) of section 251(c)(1) of the Communications Act of 1934, as amended, and section 51.301 of the Commission's rules, in connection with BellSouth's alleged failure to negotiate in good faith the terms and conditions of an amendment to an interconnection agreement with Covad Communications Company (Covad) relating to BellSouth's provision of unbundled copper loops in nine states.

2. The Commission and BellSouth have negotiated the terms of a Consent Decree that would terminate the Commission's informal investigation. A copy of the Consent Decree is attached hereto and is incorporated by reference.

3. We have reviewed the terms of the Consent Decree and evaluated the facts before us. We believe that the public interest would be served by approving the Consent Decree and terminating the investigation.

4. Based on the record before us, and in the absence of material new evidence relating to this matter, we conclude that there are no substantial and material questions of fact as to whether BellSouth possesses the basic qualifications, including its character qualifications, to hold or obtain any FCC licenses or authorizations.

5. Accordingly, IT IS ORDERED, pursuant to sections 4(i), 4(j), 251(c)(1), and 503(b) of the Communications Act, 47 U.S.C. §§ 154(i), 154(j), 251(c)(1), and 503(b), that the Consent Decree, incorporated by reference in and attached to this order, is hereby ADOPTED.

6. IT IS FURTHER ORDERED that the Secretary SHALL SIGN the Consent Decree

SUPRA

EXHIBIT: OAR 26

on behalf of the Commission.

7. IT IS FURTHER ORDERED that the above captioned investigation IS TERMINATED.

FEDERAL COMMUNICATIONS COMMISSION

Magalie Roman Salas
Secretary

MARK E. BUECHELE
ATTORNEY AT LAW
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MIAMI BEACH, FLORIDA
33239-8555

TELEPHONE
(305)531-5286
FACSIMILE
(305)531-5287

June 7, 2000

VIA U.S. MAIL AND FACSIMILE
[(404) 614-4054 & (404) 658-9022]
PARKEY JORDAN
General Attorney
BellSouth Telecommunications, Inc.
BellSouth Center, Suite 4300
675 West Peachtree Street, N.E.
Atlanta, GA 30375

Re: Supra-BellSouth Interconnection Agreement

Dear Parkey:

I am in receipt of your letter of yesterday afternoon. Although I intend to respond to your letter in considerable detail, this letter is intended to address the current status of the interconnection agreement between our companies. Additionally, this letter follows-up on Pat Finlen's letter of June 5, 2000 (which was signed by Julia Hand).

First, I wish to memorialize the status of our contract negotiations as understood by Supra Telecom. On March 29, 2000, Pat Finlen apparently sent Mr. Ramos a letter regarding the impending expiration of the current AT&T\BellSouth Agreement which had been adopted by Supra Telecom. After receipt of that letter Mr. Ramos spoke to Mr. Finlen and advised him that it was the intention of Supra Telecom to keep the terms of the current agreement until such time as the current re-negotiations between BellSouth and AT&T were concluded. At that point, Supra Telecom would opt into the new AT&T\BellSouth Agreement. At that time, Pat Finlen advised Mr. Ramos that this request would be fine. Therefore the letter of June 5th (signed by Ms. Hand) was somewhat of a surprise since we were expecting documentation that would memorialize the discussion between Mr. Ramos and Mr. Finlen.

As stated above, Supra Telecom wishes to execute an agreement which, except for expiration date, would retain the exact same terms as our current Interconnection Agreement. The time period for this new agreement can be three years. However, after negotiations between AT&T and BellSouth have concluded, Supra Telecom may then choose to opt into that agreement. We do not see why this request should create any problems for BellSouth since the current agreement was obviously acceptable to BellSouth when originally negotiated with AT&T. Moreover, the current Agreement has already "passed muster" with the Florida Public Service

Commission ("FPSC") and has been the subject of various FPSC rulings that clarify various provisions and memorialize current Florida law on the various subject. Moreover, incorporating the terms of the prior agreement into a new agreement, will make negotiation of a new agreement quick and simple; thereby creating a "win-win" situation for everyone. Although Supra Telecom would prefer entering into the same agreement again, if you believe that there are some terms in the current agreement which require modification or updating to bring the agreement in line with recent regulatory and industry changes, we would be happy to consider any proposed revisions. In any event, to avoid any delay, we can agree to negotiate such revisions by way of an amendment at a later date.

I have addressed this letter to you because you are the attorney handing Supra Telecom's contractual matters. Since drafting the proposal agreed to by Mr. Ramos and Mr. Finlen should be a simple, I will be happy to deal directly with Ms. Hand if you provide me written permission to do the same. Otherwise we can handled this matter directly between ourselves. Moreover, if you wish, I will be happy to draft a proposed agreement which adopts in full the current agreement, but which only changes the relevant dates. Please let me know as soon as possible how you wish to handle this matter so that we can have a new agreement in place by June 9th.

Thank you in advance for your prompt attention to this matter. If you have any questions or comments, please feel free to contact me at your convenience at (305) 531-5286. I look forward to hearing from you soon regarding this matter.

Sincerely,

Mark E. Buechele

cc: Supra Telecom

Parkey D. Jordan
General Attorney

BellSouth Telecommunications, Inc.
Legal Department - Suite 4300
675 West Peachtree Street
Atlanta, Georgia 30375-0001
Telephone: 404-335-0794
Facsimile: 404-658-9022

June 8, 2000

VIA FACSIMILE and FEDERAL EXPRESS

Mark E. Buechele, Esq.
Attorney at Law
P.O. Box 398555
2620 SW 27th Avenue
Miami, FL 33133

Re: Supra Telecommunications & Information Systems, Inc. ("Supra") Interconnection Agreement

Dear Mr. Buechele:

This is in response to your letter of June 7, 2000. You are incorrect in your understanding of the status of contract negotiations between Supra and BellSouth. Pat Finlen has not agreed to extend the current interconnection agreement between the parties. Supra is certainly entitled to adopt the new BellSouth/AT&T interconnection agreement when it is filed and approved by the Florida Public Service Commission (the "Commission"). However, until that agreement becomes available for adoption, Supra must either negotiate a new agreement with BellSouth, sign BellSouth's standard interconnection agreement, or adopt an agreement which has already been filed and approved by the Commission and which has a remaining term of six months or more.

The agreement under which Supra is operating was originally negotiated more than three (3) years ago. Many changes have taken place during the term of the agreement, and BellSouth does not wish to continue to operate under that agreement. Every telecommunications carrier has a legal obligation to negotiate in good faith, and pursuant to the current interconnection agreement, BellSouth has properly requested negotiations via Mr. Finlen's letter of March 29, 2000. BellSouth has proposed the agreement that it would like to execute and expects Supra to meet its obligation to negotiate with BellSouth.

Please have Mr. Ramos contact Mr. Finlen as soon as possible to schedule a meeting to begin negotiations, as 70 days of the 160 day negotiation period have already passed.

Sincerely,

Parkey D. Jordan

SUPRA

EXHIBIT: OAR 28

MARK E. BUECHELE
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P.O. BOX 398555
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(305)531-5286
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June 9, 2000

VIA U.S. MAIL & FAX [(404) 658-9022]
PARKEY JORDAN
General Attorney
BellSouth Telecommunications, Inc.
BellSouth Center, Suite 4300
675 West Peachtree Street, N.E.
Atlanta, GA 30375

Re: Supra-BellSouth Interconnection Agreement Negotiations

Dear Parkey:

I am in receipt of your letter of June 8, 2000. I am sorry to hear that there was a misunderstanding between Mr. Ramos and Mr. Finlen regarding how the parties were going to handle the contract matter. In any event, to expedite negotiations and to avoid any future misunderstandings, I will be handling all negotiations on a new contract. Therefore, please let me know if I will be negotiating with you, Pat Finlen or anyone else at BellSouth.

In your last letter, you state that both Supra Telecom and BellSouth have an obligation to negotiate in good faith and that BellSouth has already proposed its standard interconnection agreement. In my last letter, I proposed the current AT&T\BellSouth agreement and advised that if you wished to change specific sections, Supra Telecom would be open to discussing and negotiating those changes in good faith. I have not heard back from you regarding this proposal. As a general matter, it is much easier to work from the current agreement in place because the parties will only be negotiating changes to the existing relationship; rather than starting anew on every issue. Therefore, may I suggest that whoever will be negotiating on behalf of BellSouth, that they contact me with any proposed changes and/or additions to the existing agreement.

If you have any questions or comments, please feel free to contact me at your convenience at (305) 531-5286. I look forward to hearing from you soon regarding this matter.

Sincerely,

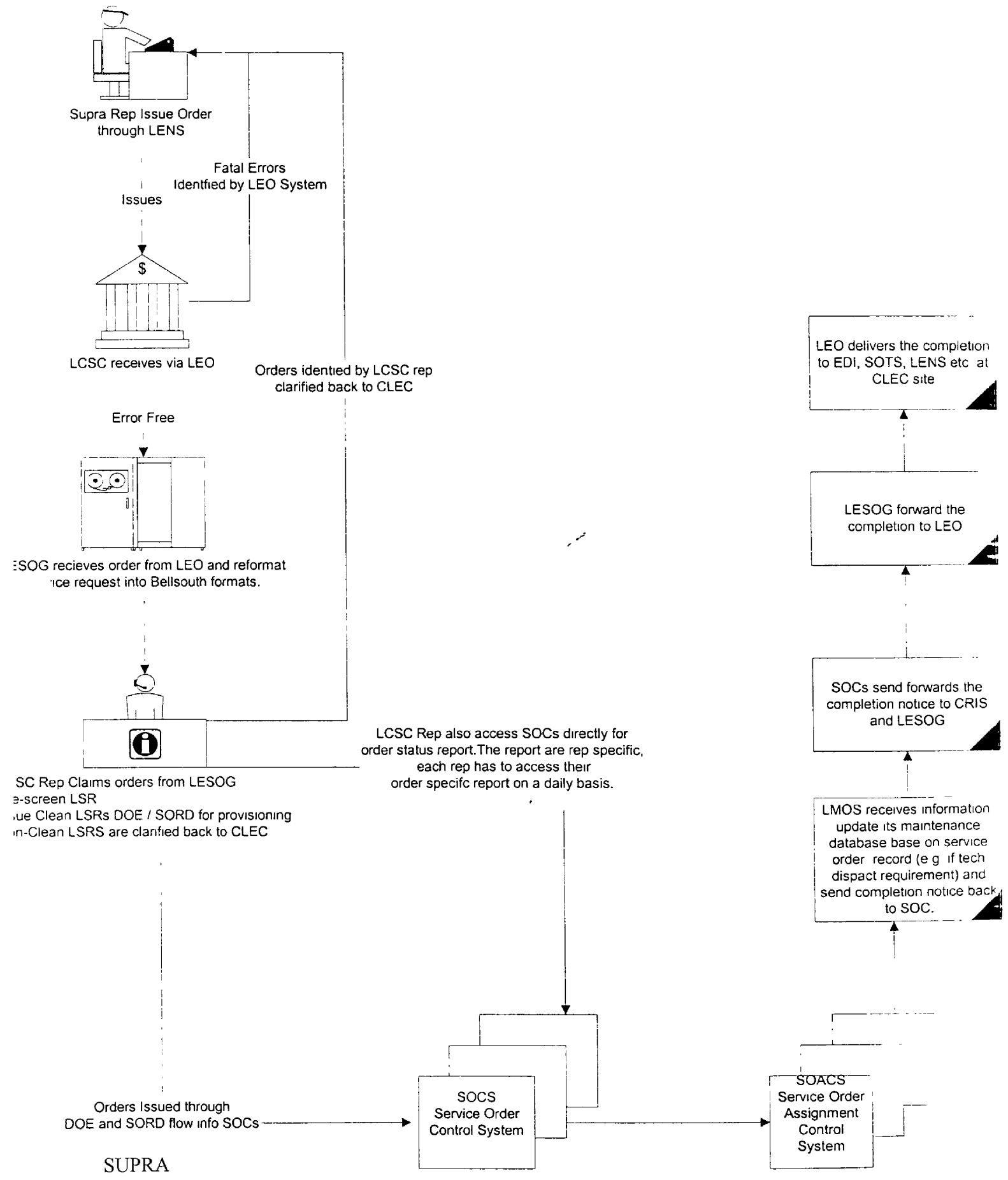
Mark E. Buechele

Mark E. Buechele

cc: Supra Telecom

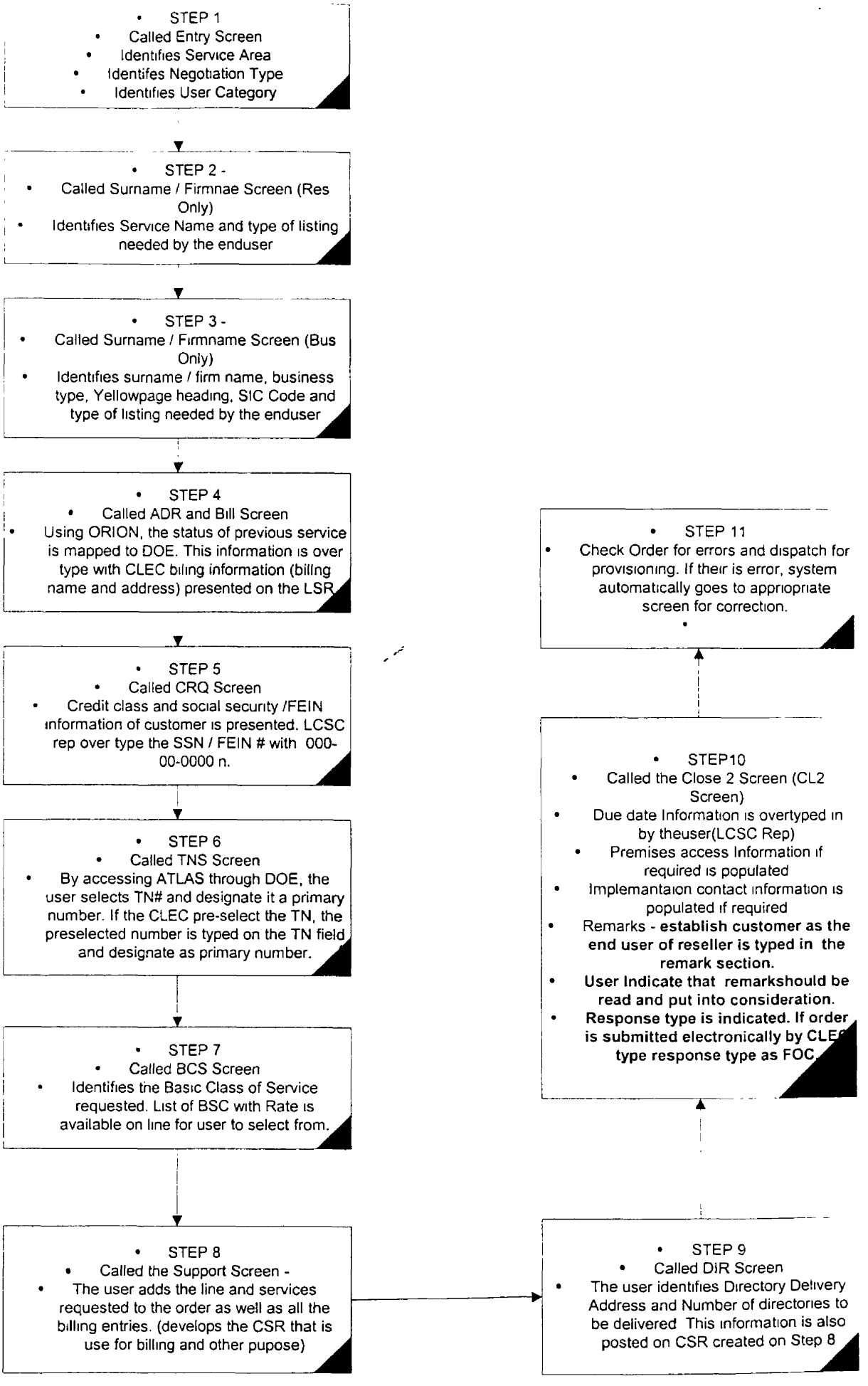
SUPRA

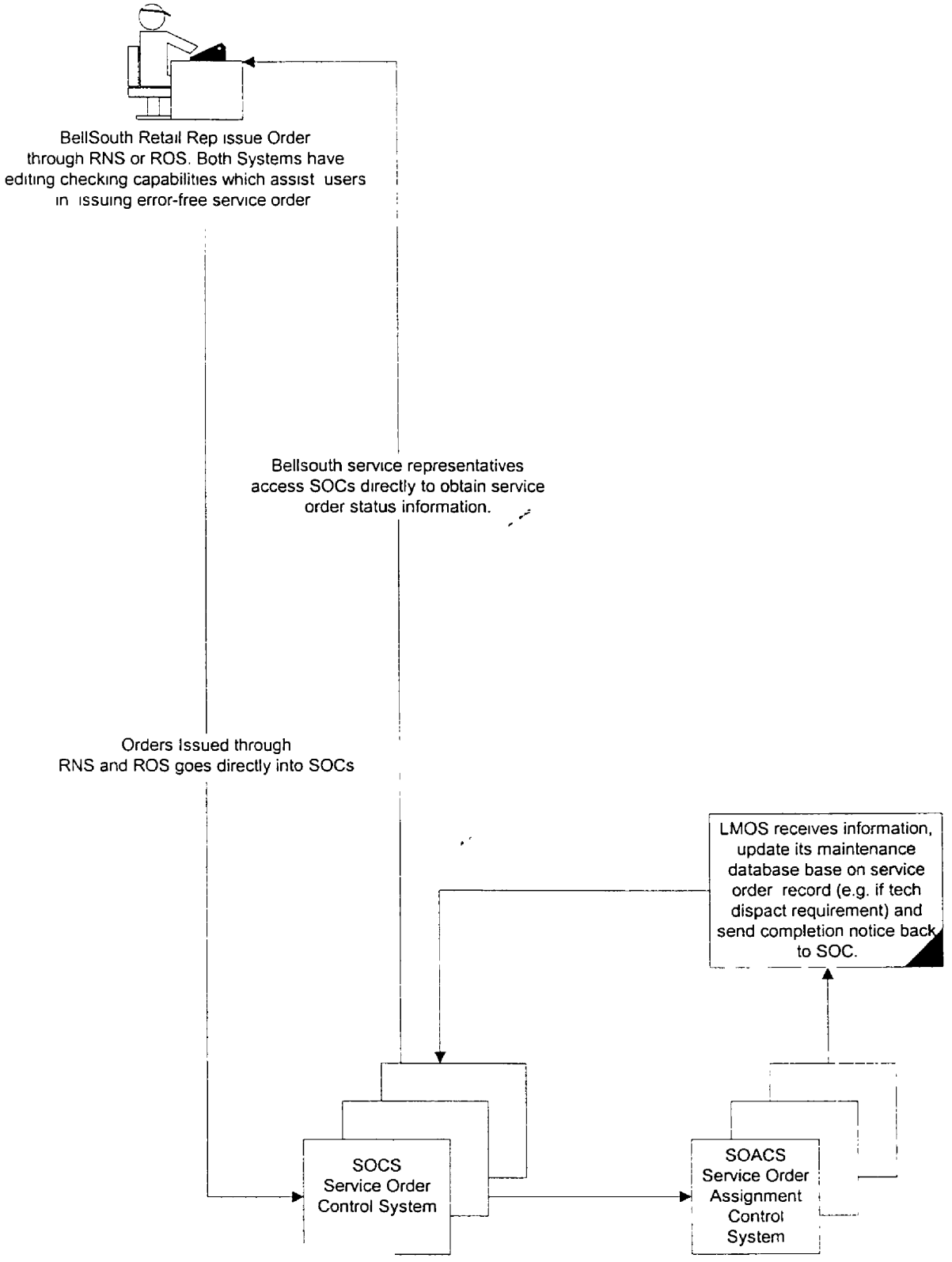
EXHIBIT: OAR 29



SUPRA

EXHIBIT: OAR 30


• STEP 1
• Called Entry Screen
• Identifies Service Area
• Identifes Negotiation Type
• Identifies User Category
• STEP 2 -
• Called Surname / Firmnae Screen (Res Only)
• Identifies Service Name and type of listing needed by the enduser
• STEP 3 -
• Called Surname / Firmname Screen (Bus Only)
• Identifies surname / firm name, business type, Yellowpage heading, SIC Code and type of listing needed by the enduser
• STEP 4
• Called ADR and Bill Screen
• Using ORION, the status of previous service is mapped to DOE. This information is over type with CLEC billing information (billng name and address) presented on the LSR
• STEP 5
• Called CRQ Screen
• Credit class and social security /FEIN information of customer is presented. LCSC rep over type the SSN / FEIN # with 000-00-0000 n.
• STEP 6
• Called TNS Screen
• By accessing ATLAS through DOE, the user selects TN# and designate it a primary number. If the CLEC pre-select the TN, the preselected number is typed on the TN field and designate as primary number.
• STEP 7
• Called BCS Screen
• Identifies the Basic Class of Service requested. List of BSC with Rate is available on line for user to select from.
• STEP 8
• Called the Support Screen -
• The user adds the line and services requested to the order as well as all the billing entries. (develops the CSR that is use for billing and other pupose)
• STEP 9
• Called DIR Screen
• The user identifies Directory Delivery Address and Number of directories to be delivered This information is also posted on CSR created on Step 8
• STEP10
• Called the Close 2 Screen (CL2 Screen)
• Due date Information is overtyped in by theuser(LCSC Rep)
• Premises access Information if required is populated
• Implemantaion contact information is populated if required
• Remarks - establish customer as the end user of reseller is typed in the remark section.
• User Indicate that remarkshould be read and put into consideration.
• Response type is indicated. If order is submitted electronically by CLE type response type as FOC
• STEP 11
• Check Order for errors and dispatch for provisioning. If their is error, system automatically goes to appriopriate screen for correction.



SUPRA

EXHIBIT: OAR 31

CUSTOMER ORDERING EXPERINECE

Customer	Supra	BellSouth
FOC	Yes	N/A
Clarifications	Yes	N/A
Transfer of Service	Two Orders	One Order
Intermediary	Yes. LCSC	N/A
Provisioning Intervals	7 to 30 days	Same day or Service when you want it

Note
FOC: Firm Order Confirmation

SUPRA

EXHIBIT: OAR 32

SUPRA

EXHIBIT: OAR 33

ORDERING

REPORT: PERCENT FLOW THROUGH SERVICE REQUESTS (DETAIL)
REPORT PERIOD: 11/01/00 - 11/30/00

AGGREGATE ORDER TYPES															
Company Info						LSR PROCESSING								FLOWTHROUGH	
						LESOG									
		Mechanized Interface Used				Manual	Rejects		Validated	Errors					
Name	RESH / OCN	LENS	EDI	TAG	Total Mech LSR's	Total Manual Fallout	Auto Clarification	Pending Supps	LSR's	Total System Fallout	BST Caused Fallout	CLEC Caused Fallout	Issued SO's	Base Calculation	CLEC Error Excluded Calculation
#1		0	0	175	175	7	13	0	155	9	2	7	146	94 19%	98 65%
#2		257	0	0	257	18	12	0	227	9	7	2	218	96 04%	96 89%
#3		1	0	0	1	0	0	0	1	0	0	0	1	100 00%	100.00%
#4		109	0	0	109	3	23	0	83	7	6	1	76	91.57%	92.68%
#5		24	0	0	24	4	1	0	19	1	1	0	18	94.74%	94.74%
#6		0	0	15	15	3	1	2	9	4	4	0	5	55.56%	55 56%
#7		0	0	3	3	0	2	0	1	1	1	0	0	0 00%	0 00%
#8		0	0	7	7	4	0	0	3	1	1	0	2	66 67%	66.67%
#9		0	0	3	3	0	1	0	2	0	0	0	2	100 00%	100.00%
#10		314	0	0	314	54	31	5	224	85	66	19	139	62 05%	67 80%
#11		334	0	0	334	73	41	6	214	102	78	24	112	52 34%	58 95%
#12		520	0	0	520	66	78	5	371	134	117	17	237	63.88%	66 95%
#13		908	0	0	908	157	128	13	610	178	154	24	432	70 82%	73.72%
#14		1528	0	0	1528	245	203	18	1062	346	295	51	716	67 42%	70.82%
#15		434	0	0	434	108	62	11	253	141	117	24	112	44.27%	48.91%
#16		463	0	0	463	65	80	6	312	128	98	30	184	58 97%	65.25%
#17		6	0	0	6	2	2	0	2	2	2	0	0	0 00%	0 00%
#18		24	0	0	24	2	7	0	15	11	9	2	4	26 67%	30 77%
#19		40	0	0	40	9	5	1	25	14	10	4	11	44 00%	52 38%
#20		44	0	0	44	9	9	0	26	14	8	6	12	46.15%	60.00%
#21		50	0	0	50	6	5	1	38	11	8	3	27	71 05%	77.14%
#22		62	0	0	62	0	3	4	55	33	26	7	22	40.00%	45.83%
#23		103	0	0	103	5	17	0	81	37	30	7	44	54 32%	59.46%
#24		113	0	0	113	36	4	0	73	26	22	4	47	64.38%	68 12%
#25		122	0	0	122	24	8	1	89	31	26	5	58	65.17%	69 05%
#26		137	0	0	137	7	6	0	124	44	40	4	80	64 52%	66 67%
#27		238	0	0	238	39	11	3	185	54	43	11	131	70 81%	75 29%
#28		531	0	0	531	29	81	17	404	118	98	20	286	70 79%	74 48%
#29		1	0	0	1	0	0	0	1	0	0	0	1	100 00%	100.00%
#30		62	0	0	62	1	3	1	57	7	5	2	50	87 72%	90 91%
#31		0	200	0	200	153	26	3	18	13	10	3	5	27.78%	33.33%
#32		198	0	0	198	8	24	1	165	22	16	6	143	86.67%	89.94%
#33		0	132	0	132	104	8	14	6	4	4	0	2	33.33%	33.33%
#34		0	191	0	191	125	32	16	18	18	15	3	0	0 00%	0 00%
#35		25	0	0	25	10	5	0	10	8	6	2	2	20 00%	25.00%
#36		35	0	0	35	1	7	1	26	13	7	6	13	50.00%	65 00%
#37		439	0	0	439	15	27	1	396	15	13	2	381	96.21%	96 70%

REPORT: PERCENT FLOW THROUGH SERVICE REQUESTS (DETAIL)
REPORT PERIOD: 11/01/00 - 11/30/00

AGGREGATE ORDER TYPES															
Company Info						LSR PROCESSING								FLOWTHROUGH	
						LESOG									
		Mechanized Interface Used				Manual	Rejects		Validated	Errors					
Name	RESH / OCN	LENS	EDI	TAG	Total Mech LSR's	Total Manual Fallout	Auto Clarification	Pending Supps	LSR's	Total System Fallout	BST Caused Fallout	CLEC Caused Fallout	Issued SO's	Base Calculation	CLEC Error Excluded Calculation
#38		556	0	0	556	54	16	0	486	16	14	2	470	96.71%	97 11%
#39		308	0	0	308	8	8	1	291	11	11	0	280	96 22%	96 22%
#40		14	0	0	14	4	4	0	6	3	2	1	3	50 00%	60 00%
#41		1982	0	0	1982	104	291	23	1564	380	330	50	1184	75.70%	78 20%
#42		0	0	686	686	67	84	1	534	35	25	10	499	93 45%	95 23%
#43		84	0	0	84	19	9	0	56	16	15	1	40	71 43%	72.73%
#44		0	117	0	117	7	16	1	93	28	21	7	65	69 89%	75 58%
#45		246	0	0	246	11	10	0	225	26	23	3	199	88.44%	89 64%
#46		162	0	0	162	12	7	2	141	14	12	2	127	90.07%	91 37%
#47		516	0	0	516	24	36	5	451	34	27	7	417	92.46%	93 92%
#48		245	0	0	245	58	26	6	155	38	30	8	117	75.48%	79 59%
#49		0	0	7	7	0	3	0	4	1	1	0	3	75 00%	75 00%
#50		0	2582	0	2582	681	208	8	1685	287	192	95	1398	82 97%	87 92%
#51		0	0	4	4	0	1	0	3	0	0	0	3	100 00%	100 00%
#52		0	4	0	4	3	0	1	0	0	0	0	0	0.00%	0 00%
#53		69	0	0	69	6	5	0	58	2	1	1	56	96 55%	98 25%
#54		19	0	0	19	5	1	0	13	1	1	0	12	92.31%	92 31%
#55		7	0	0	7	1	2	0	4	1	1	0	3	75 00%	75 00%
#56		430	0	0	430	40	64	6	320	70	59	11	250	78 13%	80 91%
#57		0	0	233	233	11	18	1	203	30	3	27	173	85 22%	98 30%
#58		9	0	0	9	0	0	0	9	0	0	0	9	100.00%	100.00%
#59		1	0	0	1	0	0	0	1	1	0	1	0	0.00%	0 00%
#60		1	0	0	1	0	0	0	1	0	0	0	1	100 00%	100.00%
#61		18171	0	0	18171	1117	1850	111	15093	1839	1621	218	13254	87 82%	89 10%
#62		16	0	0	16	0	3	0	13	11	8	3	2	15 38%	20 00%
#63		136	0	0	136	7	16	0	113	7	7	0	106	93 81%	93 81%
#64		0	3	0	3	0	1	1	1	0	0	0	1	100 00%	100 00%
#65		911	0	0	911	210	83	11	607	305	248	57	302	49.75%	54.91%
#66		0	184	0	184	81	38	28	37	27	12	15	10	27.03%	45.45%
#67		42	0	0	42	1	6	1	34	1	1	0	33	97.06%	97 06%
#68		109	0	0	109	4	9	1	95	18	15	3	77	81 05%	83.70%
#69		930	0	0	930	40	56	2	832	30	26	4	802	96.39%	96.86%
#70		3	0	0	3	2	0	0	1	1	1	0	0	0.00%	0 00%
#71		2	0	0	2	2	0	0	0	0	0	0	0	0.00%	0 00%
#72		98	0	0	98	2	26	0	70	3	3	0	67	95 71%	95 71%
#73		0	0	2057	2057	260	224	42	1531	436	383	53	1095	71 52%	74.09%
#74		28792	0	0	28792	718	2078	80	25916	1206	1018	188	24710	95 35%	96 04%

REPORT: PERCENT FLOW THROUGH SERVICE REQUESTS (DETAIL)
REPORT PERIOD: 11/01/00 - 11/30/00

AGGREGATE ORDER TYPES															
Company Info						LSR PROCESSING								FLOWTHROUGH	
						LESOG									
		Mechanized Interface Used				Manual	Rejects		Validated	Errors					
Name	RESH / OCN	LENS	EDI	TAG	Total Mech LSR's	Total Manual Fallout	Auto Clarification	Pending Supps	LSR's	Total System Fallout	BST Caused Fallout	CLEC Caused Fallout	Issued SO's	Base Calculation	CLEC Error Excluded Calculation
#75		4	0	0	4	0	2	0	2	0	0	0	2	100.00%	100 00%
#76		112	0	0	112	22	12	3	75	58	46	12	17	22 67%	26.98%
#77		1073	0	0	1073	77	94	5	897	108	85	23	789	87.96%	90.27%
#78		0	0	16780	16780	282	1681	0	14817	890	774	116	13927	93 99%	94.74%
#79		271	0	0	271	4	32	2	233	12	11	1	221	94.85%	95.26%
#80		11	0	0	11	4	2	0	5	5	5	0	0	0 00%	0 00%
#81		56	0	0	56	13	4	0	39	18	12	6	21	53.85%	63 64%
#82		175	0	0	175	17	15	4	139	29	27	2	110	79 14%	80 29%
#83		1	0	0	1	0	0	0	1	1	1	0	0	0 00%	0.00%
#84		242	0	0	242	20	17	1	204	9	7	2	195	95.59%	96 53%
#85		103	0	0	103	4	16	1	82	4	4	0	78	95 12%	95.12%
#86		0	0	204	204	38	24	3	139	64	49	15	75	53 96%	60.48%
#87		12	0	0	12	3	1	0	8	1	1	0	7	87 50%	87.50%
#88		92	0	0	92	6	15	1	70	29	28	1	41	58 57%	59 42%
#89		0	0	3	3	3	0	0	0	0	0	0	0	0.00%	0.00%
#90		0	0	1	1	0	0	0	1	1	1	0	0	0.00%	0.00%
#91		89	0	0	89	11	8	5	65	38	33	5	27	41 54%	45 00%
#92		17	0	0	17	1	1	0	15	4	3	1	11	73.33%	78 57%
#93		0	1706	0	1706	877	143	73	613	218	159	59	395	64 44%	71.30%
#94		204	0	0	204	29	23	3	149	58	46	12	91	61.07%	66.42%
#95		259	0	0	259	4	23	0	232	83	76	7	149	64.22%	66.22%
#96		365	0	0	365	45	39	3	278	30	28	2	248	89 21%	89.86%
#97		30	0	0	30	0	0	0	30	5	3	2	25	83 33%	89.29%
#98		198	0	0	198	17	12	2	167	22	21	1	145	86 83%	87.35%
#99		1278	0	0	1278	279	114	8	877	291	260	31	586	66 82%	69.27%
#100		3	0	0	3	0	1	0	2	0	0	0	2	100 00%	100.00%
#101		8919	0	0	8919	128	653	9	8129	483	411	72	7646	94.06%	94.90%
#102		0	52	0	52	16	16	0	20	19	3	16	1	5.00%	25.00%
#103		1	0	0	1	1	0	0	0	0	0	0	0	0 00%	0 00%
#104		1	0	0	1	0	0	0	1	1	1	0	0	0.00%	0 00%
#105		2	0	0	2	2	0	0	0	0	0	0	0	0 00%	0 00%
#106		86	0	0	86	21	4	1	60	23	19	4	37	61 67%	66.07%
#107		210	0	0	210	25	15	1	169	18	14	4	151	89 35%	91 52%
#108		0	0	3	3	2	0	0	1	0	0	0	1	100 00%	100 00%
#109		1023	0	0	1023	91	117	13	802	128	109	19	674	84 04%	86.08%
#110		1	0	0	1	0	0	0	1	1	1	0	0	0.00%	0 00%
#111		136	0	0	136	34	21	0	81	25	23	2	56	69.14%	70 89%

ORDERING

REPORT: PERCENT FLOW THROUGH SERVICE REQUESTS (DETAIL)
REPORT PERIOD: 11/01/00 - 11/30/00

AGGREGATE ORDER TYPES															
Company Info						LSR PROCESSING								FLOWTHROUGH	
						LESOG									
		Mechanized Interface Used				Manual	Rejects		Validated	Errors					
Name	RESH / OCN	LENS	EDI	TAG	Total Mech LSR's	Total Manual Fallout	Auto Clarification	Pending Supps	LSR's	Total System Fallout	BST Caused Fallout	CLEC Caused Fallout	Issued SO's	Base Calculation	CLEC Error Excluded Calculation
#112		39	0	0	39	1	3	0	35	1	0	1	34	97.14%	100 00%
#113		226	0	0	226	11	19	1	195	11	11	0	184	94 36%	94.36%
#114		1563	0	0	1563	131	102	30	1300	179	144	35	1121	86 23%	88 62%
#115		561	0	0	561	37	30	2	492	52	51	1	440	89.43%	89 61%
#116		457	0	0	457	56	95	0	306	41	35	6	265	86.60%	88.33%
#117		1723	0	0	1723	247	140	14	1322	268	247	21	1054	79 73%	81 01%
#118		309	0	0	309	10	21	1	277	23	21	2	254	91 70%	92 36%
#119		0	0	7	7	0	0	1	6	3	1	2	3	50.00%	75.00%
#120		755	0	0	755	68	57	6	624	49	41	8	575	92.15%	93 34%
#121		4800	0	0	4800	345	382	26	4047	247	222	25	3800	93 90%	94 48%
#122		0	0	6309	6309	77	461	0	5771	232	214	18	5539	95 98%	96 28%
#123		118	0	0	118	1	8	1	108	7	6	1	101	93 52%	94.39%
#124		80	0	0	80	4	6	2	68	3	3	0	65	95 59%	95.59%
#125		781	0	0	781	113	121	21	526	245	202	43	281	53 42%	58.18%
#126		1856	0	0	1856	120	115	19	1602	165	147	18	1437	89.70%	90 72%
#127		0	0	1105	1105	51	112	6	936	74	22	52	862	92 09%	97.51%
#128		333	0	0	333	111	45	12	165	44	32	12	121	73.33%	79 08%
#129		745	0	0	745	33	83	10	619	59	53	6	560	90.47%	91.35%
#130		0	0	792	792	191	8	20	573	140	126	14	433	75.57%	77 46%
#131		383	0	0	383	26	43	4	310	56	56	0	254	81 94%	81.94%
#132		0	0	10310	10310	123	1115	0	9072	531	432	99	8541	94 15%	95.19%
#133		170	0	0	170	5	18	0	147	6	6	0	141	95 92%	95 92%
#134		2437	0	0	2437	181	226	39	1991	256	199	57	1735	87.14%	89.71%
#135		206	0	0	206	61	33	1	111	21	14	7	90	81.08%	86.54%
#136		0	0	5	5	3	0	0	2	2	2	0	0	0 00%	0 00%
#137		132	0	0	132	29	33	1	69	27	22	5	42	60 87%	65 63%
#138		9	0	0	9	1	0	0	8	0	0	0	8	100.00%	100.00%
#139		0	0	320	320	8	48	5	259	26	18	8	233	89 96%	92.83%
#140		39	0	0	39	1	1	0	37	0	0	0	37	100.00%	100.00%
#141		839	0	0	839	76	58	3	702	61	52	9	641	91 31%	92 50%
#142		104	0	0	104	8	8	2	86	12	11	1	74	86 05%	87 06%
#143		77	0	0	77	12	10	0	55	9	8	1	46	83 64%	85 19%
#144		688	0	0	688	67	101	2	518	92	69	23	426	82.24%	86 06%
#145		125	0	0	125	13	12	3	97	30	29	1	67	69.07%	69.79%
#146		3	0	0	3	0	1	0	2	1	1	0	1	50.00%	50.00%
#147		69	0	0	69	4	17	0	48	21	17	4	27	56 25%	61 36%
#148		34	0	0	34	3	3	0	28	6	6	0	22	78 57%	78 57%

REPORT: PERCENT FLOW THROUGH SERVICE REQUESTS (DETAIL)
REPORT PERIOD: 11/01/00 - 11/30/00

AGGREGATE ORDER TYPES															
Company Info						LSR PROCESSING								FLOWTHROUGH	
						LESOG									
		Mechanized Interface Used				Manual	Rejects		Validated	Errors					
Name	RESH / OCN	LENS	EDI	TAG	Total Mech LSR's	Total Manual Fallout	Auto Clarification	Pending Supps	LSR's	Total System Fallout	BST Caused Fallout	CLEC Caused Fallout	Issued SO's	Base Calculation	CLEC Error Excluded Calculation
#149		76	0	0	76	13	5	3	55	16	12	4	39	70.91%	76 47%
#150		878	0	0	878	85	103	9	681	167	149	18	514	75.48%	77 53%
#151		0	0	2	2	1	0	0	1	0	0	0	1	100.00%	100 00%
#152		0	0	7	7	1	4	0	2	2	1	1	0	0.00%	0 00%
#153		0	0	4	4	1	1	0	2	1	1	0	1	50 00%	50 00%
#154		0	0	1	1	0	1	0	0	0	0	0	0	0.00%	0 00%
#155		0	0	65	65	27	10	5	23	6	5	1	17	73.91%	77 27%
#156		4768	0	0	4768	992	575	179	3022	1432	1203	229	1590	52.61%	56 93%
#157		0	0	46	46	3	10	0	33	1	1	0	32	96.97%	96 97%
#158		7450	0	0	7450	453	433	57	6507	454	390	64	6053	93 02%	93 95%
#159		26	0	0	26	2	2	4	18	5	4	1	13	72 22%	76 47%
#160		769	0	0	769	49	59	2	659	38	35	3	621	94 23%	94 66%
#161		0	0	141	141	91	21	5	24	16	14	2	8	33.33%	36.36%
#162		57	0	0	57	10	3	0	44	21	19	2	23	52 27%	54 76%
#163		3007	0	0	3007	141	261	19	2586	153	133	20	2433	94 08%	94 82%
#164		45	0	0	45	5	16	0	24	15	12	3	9	37 50%	42 86%
#165		10	0	0	10	1	4	0	5	1	1	0	4	80 00%	80.00%
#166		133	0	0	133	8	9	1	115	14	3	11	101	87.83%	97 12%
#167		712	0	0	712	13	221	0	478	8	3	5	470	98.33%	99 37%
#168		10	0	0	10	2	2	0	6	1	0	1	5	83 33%	100.00%
#169		0	0	3	3	0	0	0	3	3	3	0	0	0.00%	0 00%
#170		2	0	0	2	1	0	0	1	1	1	0	0	0.00%	0 00%
#171		0	0	13	13	0	1	1	11	9	9	0	2	18.18%	18.18%
#172		0	0	4	4	0	1	0	3	0	0	0	3	100 00%	100 00%
#173		76	0	0	76	14	7	1	54	21	15	6	33	61.11%	68.75%
#174		0	0	2246	2246	30	481	59	1676	593	470	123	1083	64 62%	69 74%
#175		2	0	0	2	0	1	0	1	1	1	0	0	0 00%	0 00%
#176		14	0	0	14	0	0	0	14	12	10	2	2	14.29%	16 67%
#177		78	0	0	78	17	12	1	48	15	13	2	33	68 75%	71.74%
#178		375	0	0	375	42	13	8	312	29	29	0	283	90.71%	90 71%
#179		34	0	0	34	8	8	1	17	9	8	1	8	47 06%	50 00%
#180		146	0	0	146	6	6	2	132	6	2	4	126	95 45%	98.44%
#181		40	0	0	40	10	9	0	21	9	9	0	12	57.14%	57.14%
#182		0	0	1	1	0	0	0	1	1	0	1	0	0 00%	0 00%
#183		19	0	0	19	0	2	1	16	6	4	2	10	62.50%	71 43%
#184		3	0	0	3	1	1	0	1	0	0	0	1	100.00%	100 00%
#185		454	0	0	454	13	29	1	411	13	12	1	398	96 84%	97 07%

REPORT: PERCENT FLOW THROUGH SERVICE REQUESTS (DETAIL)
REPORT PERIOD: 11/01/00 - 11/30/00

AGGREGATE ORDER TYPES															
Company Info						LSR PROCESSING								FLOWTHROUGH	
						LESOG									
		Mechanized Interface Used				Manual	Rejects		Validated	Errors					
Name	RESH / OCN	LENS	EDI	TAG	Total Mech LSR's	Total Manual Fallout	Auto Clarification	Pending Supps	LSR's	Total System Fallout	BST Caused Fallout	CLEC Caused Fallout	Issued SO's	Base Calculation	CLEC Error Excluded Calculation
#186		0	3564	0	3564	22	511	43	2988	1102	996	106	1886	63.12%	65.44%
#187		0	3540	0	3540	1	491	63	2985	1013	888	125	1972	66 06%	68 95%
#188		84	0	0	84	7	13	0	64	7	5	2	57	89 06%	91 94%
#189		57	0	0	57	6	9	0	42	9	9	0	33	78.57%	78 57%
#190		0	0	29	29	18	1	1	9	2	2	0	7	77.78%	77 78%
#191		15	0	0	15	0	1	0	14	3	3	0	11	78.57%	78.57%
#192		42	0	0	42	8	7	0	27	13	11	2	14	51.85%	56 00%
#193		2564	0	0	2564	365	248	9	1942	646	543	103	1296	66 74%	70 47%
#194		0	0	87	87	14	17	1	55	23	14	9	32	58.18%	69 57%
#195		0	0	1	1	0	0	0	1	1	1	0	0	0.00%	0 00%
#196		377	0	0	377	46	32	3	296	58	50	8	238	80.41%	82 64%
#197		22	0	0	22	4	0	0	18	9	5	4	9	50 00%	64 29%
#198		260	0	0	260	42	21	3	194	40	37	3	154	79.38%	80.63%
#199		0	0	219	219	25	26	3	165	91	60	31	74	44 85%	55 22%
#200		7	0	0	7	2	0	1	4	1	1	0	3	75 00%	75.00%
#201		0	29	0	29	0	7	3	19	7	6	1	12	63 16%	66.67%
#202		0	112	0	112	55	17	14	26	9	6	3	17	65 38%	73 91%
#203		4	0	0	4	1	0	0	3	0	0	0	3	100 00%	100 00%
#204		0	308	0	308	202	42	20	44	25	14	11	19	43 18%	57.58%
#205		38	0	0	38	9	7	0	22	6	6	0	16	72 73%	72.73%
#206		0	0	8722	8722	131	319	142	8130	166	123	43	7964	97.96%	98 48%
#207		2982	0	0	2982	201	323	42	2416	302	247	55	2114	87.50%	89.54%
#208		336	0	0	336	13	48	1	274	18	17	1	256	93 43%	93.77%
#209		47	0	0	47	1	0	0	46	16	13	3	30	65 22%	69 77%
#210		0	0	68	68	41	14	1	12	6	5	1	6	50 00%	54.55%
#211		142	0	0	142	29	12	4	97	45	39	6	52	53 61%	57 14%
#212		0	0	1	1	0	0	0	1	1	0	1	0	0 00%	0.00%
#213		0	1576	0	1576	259	203	2	1112	173	131	42	939	84.44%	87.76%
#214		3377	0	0	3377	265	243	25	2844	235	166	69	2609	91.74%	94.02%
#215		341	0	0	341	26	19	1	295	38	31	7	257	87.12%	89.24%
#216		7	0	0	7	3	0	0	4	1	1	0	3	75.00%	75.00%
#217		1	0	0	1	0	0	0	1	0	0	0	1	100.00%	100.00%
#218		172	0	0	172	9	9	6	148	44	41	3	104	70 27%	71.72%
#219		561	0	0	561	56	69	1	435	37	31	6	398	91.49%	92 77%
#220		695	0	0	695	68	115	5	507	68	56	12	439	86 59%	88 69%
#221		0	2	0	2	0	1	0	1	0	0	0	1	100.00%	100.00%
#222		5446	0	0	5446	447	343	30	4626	1884	1735	149	2742	59 27%	61 25%

REPORT: PERCENT FLOW THROUGH SERVICE REQUESTS (DETAIL)
REPORT PERIOD: 11/01/00 - 11/30/00

AGGREGATE ORDER TYPES															
Company Info						LSR PROCESSING								FLOWTHROUGH	
						LESOG									
		Mechanized Interface Used				Manual	Rejects		Validated	Errors					
Name	RESH / OCN	LENS	EDI	TAG	Total Mech LSR's	Total Manual Fallout	Auto Clarification	Pending Supps	LSR's	Total System Fallout	BST Caused Fallout	CLEC Caused Fallout	Issued SO's	Base Calculation	CLEC Error Excluded Calculation
#223		18	0	0	18	0	1	0	17	1	1	0	16	94.12%	94 12%
#224		902	0	0	902	5	37	3	857	23	16	7	834	97 32%	98 12%
#225		224	0	0	224	30	15	3	176	15	14	1	161	91 48%	92 00%
#226		0	0	2055	2055	25	104	69	1857	75	66	9	1782	95 96%	96 43%
#227		433	0	0	433	41	58	9	325	51	40	11	274	84 31%	87.26%
#228		1185	0	0	1185	112	269	4	800	110	67	43	690	86.25%	91.15%
#229		516	0	0	516	68	101	2	345	65	53	12	280	81.16%	84 08%
#230		480	0	0	480	57	18	1	404	13	11	2	391	96.78%	97.26%
#231		67	0	0	67	1	2	1	63	8	7	1	55	87 30%	88.71%
#232		47	0	0	47	6	17	2	22	9	5	4	13	59.09%	72 22%
#233		37	0	0	37	2	2	0	33	12	10	2	21	63.64%	67.74%
#234		157	0	0	157	9	17	3	128	51	45	6	77	60 16%	63.11%
#235		0	0	7	7	0	6	0	1	1	1	0	0	0 00%	0.00%
#236		1464	0	0	1464	188	317	32	927	333	266	67	594	64 08%	69 07%
#237		72	0	0	72	6	37	2	27	19	18	1	8	29.63%	30 77%
#238		5	0	0	5	2	1	0	2	1	1	0	1	50 00%	50 00%
#239		2	0	0	2	1	0	0	1	0	0	0	1	100.00%	100.00%
#240		408	0	0	408	52	32	3	321	61	58	3	260	81.00%	81.76%
#241		1440	0	0	1440	79	112	6	1243	102	86	16	1141	91.79%	92 99%
#242		105	0	0	105	20	16	0	69	22	19	3	47	68.12%	71.21%
#243		2747	0	0	2747	253	297	4	2193	174	149	25	2019	92.07%	93 13%
#244		1154	0	0	1154	124	99	7	924	167	162	5	757	81.93%	82.37%
#245		46	0	0	46	9	5	2	30	16	9	7	14	46.67%	60 87%
#246		1	0	0	1	0	0	0	1	1	0	1	0	0 00%	0 00%
#247		17	0	0	17	5	3	2	7	5	5	0	2	28 57%	28 57%
#248		2101	0	0	2101	108	150	9	1834	162	142	20	1672	91 17%	92 17%
#249		0	187	0	187	128	39	13	7	5	3	2	2	28 57%	40 00%
#250		296	0	0	296	22	24	6	244	51	29	22	193	79.10%	86.94%
#251		3	0	0	3	0	1	0	2	1	1	0	1	50.00%	50.00%
#252		9712	0	0	9712	1047	2389	63	6213	2053	1619	434	4160	66 96%	71.98%
#253		0	0	2067	2067	429	217	19	1402	230	191	39	1172	83.59%	85.99%
#254		99	0	0	99	16	9	1	73	7	6	1	66	90.41%	91.67%
#255		554	0	0	554	51	52	5	446	70	54	16	376	84 30%	87.44%
#256		248	0	0	248	17	9	3	219	34	33	1	185	84 47%	84.86%
#257		297	0	0	297	44	23	2	228	46	44	2	182	79 82%	80 53%
#258		0	329	0	329	268	34	2	25	22	22	0	3	12.00%	12 00%
#259		3	0	0	3	0	0	0	3	2	1	1	1	33.33%	50 00%

ORDERING

REPORT: PERCENT FLOW THROUGH SERVICE REQUESTS (DETAIL)
REPORT PERIOD: 11/01/00 - 11/30/00

AGGREGATE ORDER TYPES																
Company Info						LSR PROCESSING									FLOWTHROUGH	
						LESOG										
		Mechanized Interface Used				Manual	Rejects		Validated	Errors						
Name	RESH / OCN	LENS	EDI	TAG	Total Mech LSR's	Total Manual Fallout	Auto Clarification	Pending Supps	LSR's	Total System Fallout	BST Caused Fallout	CLEC Caused Fallout	Issued SO's	Base Calculation	CLEC Error Excluded Calculation
#260		22	0	0	22	0	0	1	21	3	3	0	18	85.71%	85.71%
#261		0	0	2645	2645	33	149	42	2421	50	44	6	2371	97.93%	98.18%
#262		676	0	0	676	48	75	14	539	51	43	8	488	90.54%	91.90%
#263		709	0	0	709	26	26	1	656	67	64	3	589	89.79%	90.20%
#264		355	0	0	355	11	14	2	328	19	19	0	309	94.21%	94.21%
#265		114	0	0	114	17	12	1	84	10	8	2	74	88.10%	90.24%
#266		159	0	0	159	14	8	0	137	22	16	6	115	83.94%	87.79%
#267		0	0	39321	39321	5601	8249	506	24965	8067	5474	2593	16898	67.69%	75.53%
#268		1537	0	0	1537	172	186	17	1162	322	273	49	840	72.29%	75.47%
#269		0	0	834	834	486	153	15	180	106	59	47	74	41.11%	55.64%
#270		574	0	0	574	71	130	16	357	145	116	29	212	59.38%	64.63%
#271		597	0	0	597	98	36	8	455	207	181	26	248	54.51%	57.81%
#272		135	0	0	135	3	12	1	119	16	16	0	103	86.55%	86.55%
#273		9	0	0	9	1	3	0	5	2	2	0	3	60.00%	60.00%
#274		0	69	0	69	20	10	9	30	27	21	6	3	10.00%	12.50%
#275		27	0	0	27	5	1	2	19	3	3	0	16	84.21%	84.21%
#276		12	0	0	12	9	0	0	3	3	1	2	0	0.00%	0.00%
#277		9	0	0	9	0	4	0	5	2	2	0	3	60.00%	60.00%
#278		734	0	0	734	14	52	1	667	32	26	6	635	95.20%	96.07%
#279		3501	0	0	3501	75	585	2	2839	324	55	269	2515	88.59%	97.86%
#280		346	0	0	346	29	38	1	278	55	32	23	223	80.22%	87.45%
#281		8	0	0	8	2	3	0	3	3	2	1	0	0.00%	0.00%
#282		41	0	0	41	8	2	2	29	7	6	1	22	75.86%	78.57%
#283		6	0	0	6	1	4	0	1	1	1	0	0	0.00%	0.00%
#284		3	0	0	3	1	0	0	2	1	0	1	1	50.00%	100.00%
#285		6	0	0	6	3	1	0	2	2	2	0	0	0.00%	0.00%
#286		2	0	0	2	1	0	0	1	0	0	0	1	100.00%	100.00%
#287		1275	0	0	1275	40	67	3	1165	90	80	10	1075	92.27%	93.07%
#288		766	0	0	766	33	26	19	688	61	58	3	627	91.13%	91.53%
#289		24	0	0	24	1	4	1	18	12	6	6	6	33.33%	50.00%
#290		268	0	0	268	22	20	3	223	42	29	13	181	81.17%	86.19%
#291		0	0	1	1	0	0	0	1	1	0	1	0	0.00%	0.00%
#292		984	0	0	984	24	66	11	883	71	51	20	812	91.96%	94.09%
#293		12	0	0	12	7	0	0	5	2	2	0	3	60.00%	60.00%
#294		0	0	3	3	1	0	1	1	1	1	0	0	0.00%	0.00%
LENS Subtotal		133521	0	50689	198512	13706	18337	1621	164848	21412	18133	3279	143436	87.01%	88.78%
EDI Subtotal		0	0	2062	12427	1055	1510	147	9715	1290	1073	217	8425	86.72%	88.70%

ORDERING

REPORT: PERCENT FLOW THROUGH SERVICE REQUESTS (DETAIL)
REPORT PERIOD: 11/01/00 - 11/30/00

AGGREGATE ORDER TYPES															
Company Info						LSR PROCESSING								FLOWTHROUGH	
						LESOG									
		Mechanized Interface Used				Manual	Rejects		Validated	Errors					
Name	RESH / OCN	LENS	EDI	TAG	Total Mech LSR's	Total Manual Fallout	Auto Clarification	Pending Supps	LSR's	Total System Fallout	BST Caused Fallout	CLEC Caused Fallout	Issued SO's	Base Calculation	CLEC Error Excluded Calculation
TAG Subtotal		26802	0	44871	71698	9012	12886	804	48996	12516	8846	3670	36480	74 46%	80 48%
TOTAL INTERFACES		**160323**	**0**	**97622**	**282637**	**23773**	**32733**	**2572**	**223559**	**35218**	**28052**	**7166**	**188341**	**84.25%**	**87.04%**

Due Dates

Due Date window

Before you begin this lesson, your Learning Advisor will walk you through an order for new service so that the Due Date window will become active. Once the window is active, please do the following:

Step	Action
1	Click on **Due Date.**
2	On the **Due Date** window, review the calendar.
3	Read the calendar's visual clues.
4	Click on the horizontal arrows.
5	Click on date framed in black.
6	Type your manager's name and click on **Business Office Manager.**
7	Continue reading.

Negotiating due dates

If the customer accepts the **standard due date** that RNS has selected for you, then there is nothing more you need to do regarding the due date.

"Service when you want it" guidelines must be followed when the customer requests an earlier appointment than the one selected by RNS.

OLD

Review the guidelines that apply to your state in OLD at this time. Look in the subject CTCF (Due Date Appointment Plan) service when you want it. Also review "Same day due date restrictions."

If the customer requests a date **later** than the date that RNS selected for you, you would click on the new date in the calendar.

If the customer has an emergency and needs an **earlier due date** or you get a request for a **non-work date** due date:

- Contact Network for approval of the due date. (Your Learning Advisor will advise you how to obtain the number to call for your customer's address.)

- Click on the requested date and enter the name of the person authorizing the due date in the **Authorize Due Date Selection** window.

- Be sure to quote any additional installation charges, if applicable.

If your order **does not require** a premise visit, advise the customer to plug in the sets by 8 A.M. on the due date so that we can test the lines to ensure the customer has dial tone. Advise the customer if service is not working by 10 A.M. to call repair at 611 to ensure that the service is working by 6 P.M. on _____ (due date). Our commitment to the customer is by 6 P.M. not 10 A.M.

(Times may vary depending upon your state).

Notes

- We would not invoke the commitment guarantee credit as long as service is working by 6 P.M. For Florida and Tennessee, your instructor will explain this plan. Commitment guarantee does not apply to any other state.

- Florida Only: Quick Service-Orders placed before 3 P.M. will be working by 5 P.M. and orders placed after 3 P.M. will be working by 10 A.M. the next business day. If they are not, the customer should call Repair Service.

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Negotiating appointment times

When an order requires a premise visit, the installation department schedules orders between 8 A.M. and 6 P.M. The appointment time you negotiate with the customer and select on the **Due Date** window will determine when the technician will be dispatched. Appointment time must be negotiated on all orders requiring a premise visit using the following guidelines:

- In all states except Florida, attempt to negotiate an all day appointment (i.e., between 8 A.M. and 6 P.M.). In Florida, PSC regulations require that morning or afternoon appointments are offered.
- If the customer expresses a desire for an appointment less than all day, negotiate either:
  - A morning (8 A.M. to 12:00 P.M.) or an afternoon (12:00 P.M. to 6 P.M.) appointment, or
  - An appointment of a four-hour interval that differs from the morning or afternoon hours, for example: 11 A.M. to 3 P.M.

Negotiating access arrangements

To add special arrangements that the service technician must be aware of when going to the address:

- Scroll through the Choose Access Remarks field and click on a remark from the left, and then complete it on the right; or,
- Type remarks in the Input field on the right.

Obtain the customer's Contact Number.

- A good contact number is required on every order for new service.
- Enter the customer's area code, number, and extension or other information, such as a beeper, etc.

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Special Arrangements

Notice that **Pre-survey** and **Uncommon Dispatch** are preceded by a radio button. This means that only one option may be selected since either selection will generate a premise visit. (Pre-survey orders are not covered in initial training). Uncommon Dispatch is used to indicate that a premise visit is required even though inside wiring or jacks have not been ordered (i.e., a drop is down and has to be reconnected). In these situations, add Access Remarks to explain why the dispatch is needed.

If the **Restrictions** button is selectable, you may click on it to display cable information. When a No Facility condition exists for a service address, the Pre-installation due date will appear on the **Due Date** window. This means any work necessary (i.e., installation of jacks or network interfaces at the customer premises) will be done prior to the actual connection of service. Depending on which No Facilities information is available in RSAG, the system automatically creates a Remark entry which may include the No Facilities date, job number, and/or date the entries were made.

When the system cannot obtain the offered Due Date, a default interval will be used to recommend a Due Date. The system will display a message advising of the problem and will automatically add a remark to the order.

Note

When an offered Due Date has been "applied" and changes are made afterwards to the order which will cause the offered Due Date to change, the Due Date panel on the control panel will change from green to gold. This is your indication to view the Due Date and re-negotiate it, if necessary.

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Due Date Quiz

Quiz directions

Answer True or False to the questions below. Your Learning Advisor will provide you with the correct answers once you and the rest of the class have completed the quiz.

Questions: True or False

1. If the customer accepts the standard due date that RNS has selected for you, then there is nothing more you need to do regarding the due date.

2. There are no guidelines that must be followed when the customer requests an earlier appointment than the one selected by RNS.

3. If the customer requests a date later than the date that RNS selected for you, you would click on the new date in the calendar.

4. A good contact number is not required on every order for new service.

5. When a Pre-Survey and Uncommon Dispatch are preceded by a radio button, only one option may be selected since either selection will generate a premise visit.

6. Uncommon Dispatch is used to indicate that a premise visit is required even though inside wiring or jacks have not been ordered.

7. When the system cannot obtain the offered Due Date, a default interval will be used to recommended a Due Date.

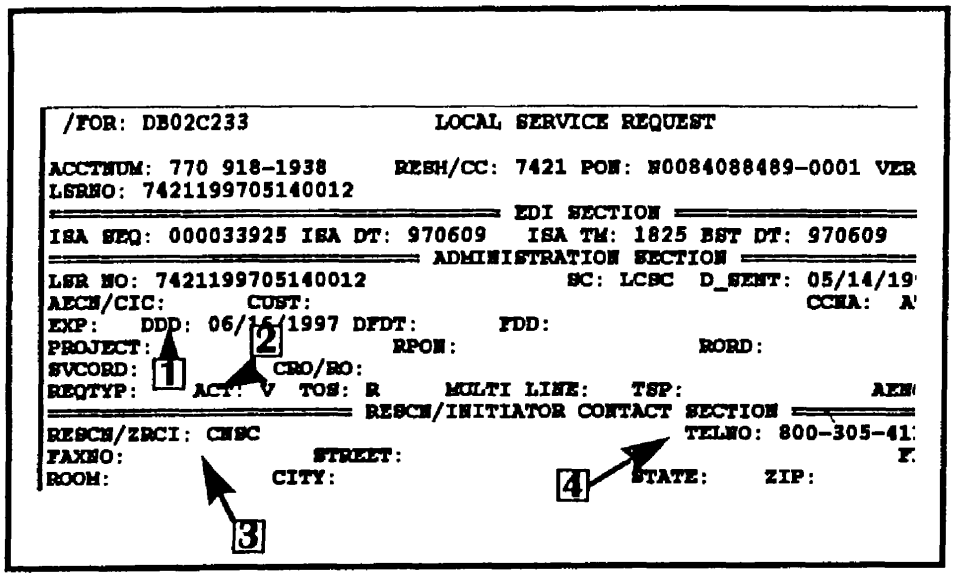
Please let your Learning Advisor know when you are finished.

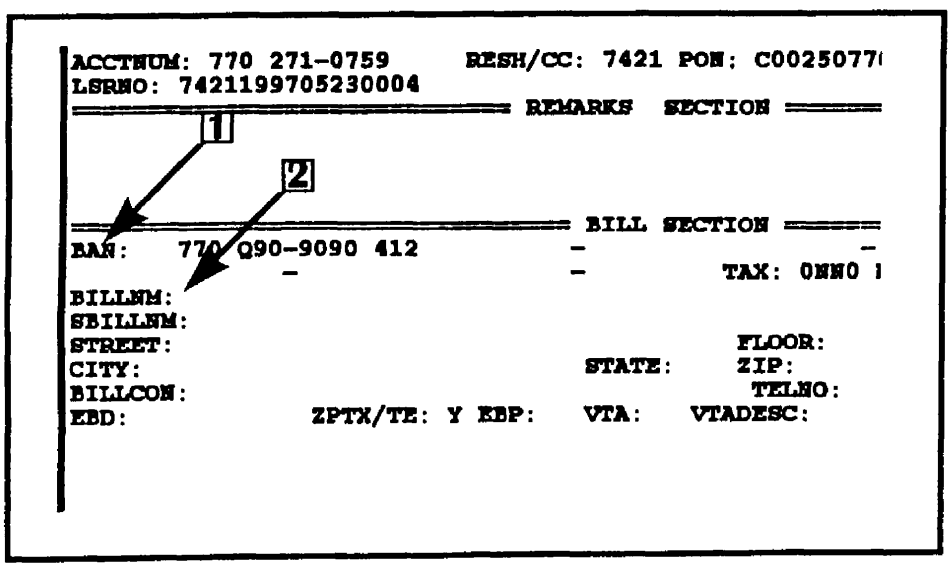
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PRE - SCREEN LSR...





Visual edit of required fields:

SCREEN #1

1. **DDD** (Desired Due Date) - Can not be sooner than following day.
2. **ACT** (Activity) - Must match LSR documentation. Example, "W" (conversion as-is), may not have changes.
3. **RESCN** (Resale Contact Name) -Identifies CLEC contact.
4. **TELNO** (Contact Telephone #)

SCREEN #2

1. **BAN** (Billing Account #) - Must be correct for service area.
2. **BILLNM** (Billing Name) - Name and address must be correct. SEE QUICK REFERENCE GUIDE

SUPRA

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

Petition of AT&T Communications of the Southern States, Inc., TCG South Florida, and MediaOne Florida Telecommunications, Inc. for Structural Separation of BellSouth Telecommunications, Inc.	)))))	Docket No. 01-0345 Filed: March 21, 2001

PETITION OF AT&T COMMUNICATIONS OF THE SOUTHERN STATES, INC., TCG SOUTH FLORIDA, AND MEDIAONE FLORIDA TELECOMMUNICATIONS, INC. FOR STRUCTURAL SEPARATION OF BELLSOUTH TELECOMMUNICATIONS, INC.

Petitioners, AT&T Communications of the Southern States, Inc., TCG South Florida, and MediaOne Florida Telecommunications, Inc. (collectively, "AT&T") hereby petition the Florida Public Service Commission ("FPSC" or "Commission"), pursuant to its authority under Chapter 364, Florida Statues, to institute appropriate proceedings and to enter an appropriate order requiring the structural separation of BellSouth Telecommunications, Inc. ("BellSouth") into two distinct wholesale and retail corporate subsidiaries.

INTRODUCTION AND SUMMARY

On February 8, 1996, the Telecommunications of Act of 1996 (the "Act") was signed into law. The Act was intended to open all telecommunications markets to competition, including local telephone markets. That competition, in turn, was intended to bring benefits to consumers, including a wider selection of services and faster access to technology. Now, more than five years after the Act's passage, one conclusion is inescapable: the promise of local telephone competition has not been fulfilled in Florida.

For most of Florida, the cause of this delay can be laid at the doorstep of one company: BellSouth. BellSouth is the largest incumbent local exchange carrier ("ILEC") in Florida, and

SUPRA

EXHIBIT: OAR 36

still controls well over 90% of the access lines in its service territory. Although numerous alternative local exchange companies ("ALECs") are certificated in Florida, ALECs have been singularly unable to make any meaningful inroads into BellSouth's monopoly markets. This is because BellSouth has refused, consistently and repeatedly, to comply with the Act's requirements to provide ALECs with nondiscriminatory access to BellSouth's facilities and services at commercially reasonable rates. As a result, Floridians, by and large, have not yet obtained the benefits of having the choices for local telephone services they were promised more than five years ago.

BellSouth's stone-walling and anti-competitive actions are driven by its conflicting incentives and an inherent conflict of interest. BellSouth has two contradictory roles: (1) operator of the local telephone network that virtually all ALECs rely upon (in some form or fashion) to provide their own local telephone service; and (2) the principal competitor of those same ALECs in the very same retail markets. The last five years have shown that whatever incentive BellSouth has to fulfill its legal obligations to open its network, it has a stronger incentive to preserve its local monopoly and prevent its retail competitors from succeeding in capturing local market share. Because it controls the facilities necessary for ALECs to provide services, BellSouth has both the ability and the willingness to discriminate in favor of its own retail services by charging competitors anticompetitive rates for access to those facilities and providing those facilities in a nondiscriminatory fashion. *In Re Applications of Ameritech Corp. and SBC Communications, Inc. for Consent to Transfer Control of Corporation Holdings Commission Licenses and Lines*, Memorandum Opinion and Order, CC Docket No. 98-141, FCC No. 99-279, (Rel. October 8, 1999) ("Ameritech-SBC Merger Order"); *see also* Burns, *et al.*, *Market Analyses of Public Utilities: The Now and Future Role of State Commissions*, 9

(National Regulatory Research Institute July, 1999) (describing how incumbent monopolists can use control of bottleneck facilities to give "preferential treatment [to] affiliates or discriminate against affiliates' competitors").

Any assumption that the prospect of obtaining long distance entry would somehow resolve the inherent conflicts underlying BellSouth's roles and compel it to comply with the requirements of the Act has been shattered by BellSouth's conduct over the course of the last five years. BellSouth has continued to challenge virtually every important rule promulgated by the Federal Communications Commission ("FCC") to implement the requirements of the Act. And when its scorched earth litigation tactics have failed, BellSouth has foreclosed competition by providing competitors with inadequate and discriminatory access to its network facilities. BellSouth already has sought long distance relief from the FCC no less than three times, and it has been rejected each time. None of those rejections, however, has had any appreciable impact in compelling BellSouth to fully comply with the Act. Instead, BellSouth has engaged in a relentless campaign to resist the Act's requirements at every turn. As a result, there is little local competition in the states in BellSouth's region, including Florida.

BellSouth's control of bottleneck facilities and the impact of that control on the development of local telephone competition has been a longstanding public policy concern of this Commission. However, it is now evident that current rules and regulations cannot overcome the inherent conflicts driving BellSouth's actions. Instead, action must be taken to eliminate BellSouth's conflict of interest by establishing a corporate structure that would separate BellSouth's retail and wholesale activities into two separate subsidiaries. Specifically, this Petition requests that the Commission order the establishment of a retail company with

independent management that would interact with the wholesale company on the same arm's length, non-discriminatory basis it would with any other competitor.

The time for the Commission to act is running short. This is a critical time for local telephone competition, as more and more ALECs are unable to compete with BellSouth and thus are withdrawing from the market. Yet at the same time, BellSouth continues to reap tremendous profits from its local telephone companies. As a result, if local telephone markets are not opened to competition soon, it may be too late for competition ever to develop. This will mean not only the continued monopolization of traditional local telephone services, but also the more serious prospect of the monopolization of the next generation of advanced telecommunications services (*i.e.*, high speed access to the Internet) because these services also are largely dependent upon access to BellSouth's network.

AT&T urges the Commission to order the structural separation of BellSouth into distinct wholesale and retail corporate subsidiaries. Through structural separation, the Commission would require that BellSouth's retail organization (which sells to end user customers) be reconstituted as a publicly owned corporate affiliate separate from its wholesale organization (which owns and operates network facilities). The wholesale organization would be required to make network facilities available to ALECs and Bellsouth's retail organization at the same prices and on equal terms and conditions, including access to the network and related operations. Such structural separation would provide "the minimum level of transparency to police the price and nonprice discrimination concerns." *In the Matter of Amendment of the Commission's Rules to Establish Competitive Service Safeguards for Local Exchange Carrier Provision of Commercial Mobile Radio Services,* Report and Order at ¶ 61, WT Docket No. 96-162, FCC No. 97-352, (Rel. October 3, 1997) ("CMRS Structural Separation Order").

As the FCC has observed, and as the United States Court of Appeals for the Sixth Circuit has affirmed, there is nothing "novel" about the use of structural separation. *GTE Midwest, Inc. v. FCC*, 233 F.3d 341, 345 (6th Cir. 2000). Structural separation is a regulatory tool that has been routinely used by state regulatory commissions and the FCC to facilitate a smooth, fair transition from regulatory monopolization to full, vibrant competition. In fact, in 1999 the Pennsylvania Public Utility Commission ("Pennsylvania PUC") compelled the structural separation of Verizon-Pennsylvania, finding that this step was necessary to achieve competition in the state of Pennsylvania. Opinion and Order, *Joint Petition of Nextlink Pennsylvania, Inc.*, Dkt. No. P-00991648 (Sep. 30, 1999) ("*Pennsylvania Structural Separation Order*"), *aff'd*, *Bell Atlantic-Pennsylvania, Inc. v. Pennsylvania Public Utility Commission*, 763 A.2d 440, 464, 466-69 (Pa. Commw. Ct. 2001).

For the same reasons that led the Pennsylvania Commission to structurally separate Verizon, this Commission should initiate a proceeding to order the structural separation of BellSouth.

BACKGROUND

With adoption of the Act, Congress endorsed a "pro-competitive, de-regulatory national policy framework designed to accelerate rapidly" the opening of "all telecommunications markets to competition." House Rep. No. 104-458. However, Congress recognized that it would be impossible for ALECs to duplicate the ubiquitous local networks of ILECs like BellSouth (at least in the near term). Thus, in section 251 of the Act, Congress mandated that ILECs lease the piece-parts of their networks (called "unbundled network elements" or "UNEs") to ALECs at efficient, cost-based rates and on non-discriminatory terms and conditions. In this way, ALECs

would be able to use BellSouth's facilities to provide retail services to provide not only traditional voice services, but also advanced, high-speed broadband services.

However, Congress recognized that this regime would have little chance of succeeding unless the ILECs were given an adequate incentive to cooperate. Specifically, Congress knew that ILECs would be loath to make their network facilities available to competitors on reasonable and efficient terms, because such cooperation would result in competition for local telephone services – competition that would end the ILECs' ability to earn anticompetitive rates for their services and to leverage their control over traditional voice services into emerging markets for advanced services. Accordingly, in the Act, Congress offered a "carrot" to the Bell Operating Companies ("BOCs") that complied with the Act's mandates. Pursuant to section 271 of the Act, BOCs that irreversibly opened their local telephone markets to competition would be permitted to enter the long distance market.

Unfortunately, the need to comply with the Act in order to provide long distance services has thus far failed to spur BellSouth to open its local telephone markets to competition. Apparently, BellSouth has found the ability to enter the highly competitive long distance market an insufficient incentive to surrender its local monopoly, and, instead, has engaged in a relentless campaign of non-cooperation and litigation. As the FCC has observed, "incumbent LECs, which are both competitors and suppliers to new entrants, have strong economic incentive to preserve their traditional monopolies over local telephone service and to resist the introduction of competition that is required by the 1996 Act." *Ameritech-SBC Merger Order* ¶ 107. BellSouth can "raise entrants' costs by charging high prices for interconnection, network elements and services, and by delaying the provisioning of, and degrading the quality of, the interconnection, services, and elements it provides." *Ameritech-SBC Merger Order* ¶ 107 (also noting risk of

"delay[ing] interconnection negotiations and resolution of interconnection disputes" and "limit[ing] both the methods and points of interconnection and the facilities and services to which entrants are provided access").

BellSouth has effectively used all these strategies to forestall and injure competitors in the retail local phone market. For example, BellSouth challenged virtually every important rule promulgated by the FCC to open local markets to competition. In the appeal of the FCC's landmark *Local Competition Order*[1], BellSouth asked the Eighth Circuit to vacate the *entire* order. (Brief for Petitioner Regional Bell Companies and GTE, No. 96-3221, at 80-81 (8th Cir. filed Nov. 18, 1996)). Even after the United States Supreme Court upheld the jurisdiction of the FCC to issue its UNE pricing and other pro-competitive rules, BellSouth continued to press the 8th Circuit to vacate those rules. (Brief for Petitioners Regional Bell Companies and GTE, No. 96-3321 (and consolidated cases)(8th Cir. filed July 16, 1999)). Then, even after the 8th Circuit decision, BellSouth furthered its anti-competitive crusade by successfully convincing the FCC to dilute several of its UNE rules and regulations. (*In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996,* Third Report and Order, Fourth Further Notice of Proposed Rulemaking, CC Docket No. 96-98, FCC No. 99-238, Rel. November 5, 1999) ("UNE Remand Order")).

Even now, nearly five years and several steps in the appellate process later, BellSouth still argues against the FCC's forward-looking pricing methodology. Only a few months ago, in Florida, BellSouth referred to the FCC's pricing standard as "an utterly unrealistic variant," and also complained of the parade of horribles that will occur if the Commission complies with the

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[1] *In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, First Report and Order, CC Docket No. 96-98, FCC No. 96-325 (Rel. August 8, 1996).

FCC's UNE pricing rules and adopts the "drastically reduced prices" proposed by the ALECs. *BellSouth's Post-Hearing Brief*, Docket No. 990649-TP at 3-4, 9 (filed Nov. 21, 2000). Incredibly, BellSouth now proposes a rate for 2-wire loops in Florida that is $3.00 (nearly 20%) ***higher*** than the rate the Commission originally approved more than four years ago – and which has proven far too high to support competition. Inflated UNE prices, of course, remain one of BellSouth's strongest tools for preventing competition.

Additionally, BellSouth has been particularly aggressive – and successful – in preventing ALECs from using combinations of network elements (called "the platform" or "UNE-P") to provide local telephone services. The ability of ALECs to use combinations of UNEs to provide local telephone service is "integral to achieving Congress' objective of promoting competition in the local telecommunications markets." *In The Matter off Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act to Provide In-Region, InterLATA Service in the State Of New York*, Memorandum Opinion and Order at ¶ 230, CC Docket No. 99-295, FCC 99-404, (Rel. December 22, 1999) ("Bell Atlantic New York 271 Order")). The Consumer Federation of America similarly has concluded that "the ability to rent the combined set of wires and connections from the customer premise to the central office is critical to allowing competitors entry into the market." *Florida Consumers Need Real Local Phone Competition, Fair Access to Monopoly Wires is the Key*, Mark Cooper, Director of Research, Consumer Federation of America, at 9 (Jan. 2001). As the FCC explained, "[u]sing combinations of unbundled network elements provides a competitor with the incentive and ability to package and market services in ways that differ from the BOCs' existing service offerings in order to compete in the local telecommunications market." *Id.* The FCC has consistently emphasized that local markets cannot be considered irreversibly open to competition

unless new entrants can purchase network element combinations. *Id.; see also Application of BellSouth Corp. el al. Pursuant to Section 271 to Provide In-Regional InterLATA Services in South Carolina,* Memorandum Opinion and Order at ¶ 195, CC Docket 97-208, FCC No. 97-418 (Rel. December 24, 1997); *Application of Ameritech Michigan Pursuant to Section 271 to Provide In-Region, InterLATA Services in Michigan,* Memorandum Opinion and Order at ¶ 332, CC Docket No. 97-137, FCC No. 97-298 (Rel. August 19, 1997).

BellSouth, however, has fought tooth-and-nail to block the availability of network element combinations to ALECs. For nearly five years, BellSouth has done everything in its power to deny ALECs access to UNEs in combined form at forward-looking, cost-based prices. In virtually every proceeding since the Act was passed, BellSouth has attempted to limit ALECs to either buying discrete UNEs or reselling BellSouth's retail services, and thus succeeded at forestalling any serious challenge to its monopoly over local telephone service in Florida and all other states.

At first, despite the mandates of the Act and the FCC's rules and regulations, BellSouth simply refused to allow ALECs to purchase UNEs in combined form at cost-based rates if those UNEs could be used to replicate a BellSouth retail service. BellSouth consistently and successfully maintained this position for the entirety of the first year following passage of the Act. The Eighth Circuit eventually put an end to this obstructionist tactic when it upheld the FCC's rules and regulations allowing ALECs to provide service entirely through UNEs, and to pay UNE rates, thus rendering BellSouth's outright refusal illegal.

Not surprisingly, however, the Eighth Circuit's decision did not deter BellSouth. Instead, in response to the Eighth Circuit's decision, BellSouth evolved its strategy to one of forcing ALECs to purchase uncombined, discrete UNEs, which then had to be reassembled at great

expense in collocation space purchased by the ALECs before they could be used to provide telephone service. In essence, BellSouth once again forced ALECs either to buy discrete UNEs or resell BellSouth's retail services, this time by making the use of UNEs "in combined form" uneconomical, impractical, and inferior in service. BellSouth used that tactic for yet another year, thus further preventing ALECs from using UNE-P.

Of course, the United States Supreme Court also eventually declared this approach by BellSouth illegal. In reversing the Eighth Circuit, the Supreme Court clearly and unequivocally affirmed the longstanding FCC requirement that BellSouth must provide in combined form those UNEs that BellSouth currently combines in its network. Logically, the Supreme Court's decision should have conclusively eliminated the legal basis for BellSouth's recalcitrance on this issue. After all, the Court said that ALECs could provide service entirely through UNEs and that ALECs could buy UNEs in combined form, and it upheld the jurisdiction of the FCC to issue its rules governing the provision of UNEs, including pricing. Moreover, the Court affirmatively rejected the arguments, repeated *ad nauseum* by BellSouth, that provision of UNEs in combined form at cost-based rates in any way effects the distinction between resale and unbundled access (BellSouth's so called "sham unbundling" campaign). Thus, after three years, numerous proceedings before virtually every Commission in its region, and a trip all the way to the United States Supreme Court, it appeared that ALECs would finally gain access to one of the most potent tools available for developing meaningful broad based competition for local telephone service.

However, in reality, the mandate of the Act remains as unfulfilled today as it was when the Act passed in 1996. Although BellSouth's opposition to UNE-P has been declared illegal, BellSouth not only continues its opposition, but cleverly has created new obstacles to overcome.

Indeed, BellSouth still continues its "all-out" attack on UNE-P. Most recently, BellSouth argued that unless the discrete elements that comprise a combination are physically combined at the time of purchase ***and*** are being used by BellSouth to provide service to the specific customer the ALEC wishes to serve, BellSouth will not provide UNEs in combined form to allow ALECs to provide second lines, to serve new customer locations, or to provide services in addition to those currently being provided by BellSouth. This is the case even though BellSouth routinely and ordinarily uses those very same UNEs in combined form in order to provide those very same services to its own customers. Apparently, there is simply no end to how far BellSouth will engage in litigation and regulatory gamesmanship to forestall the use by ALECs of the one vehicle that has some chance of bringing competition to Floridians[2].

Additionally, there are at least four other critical barriers to local telephone competition erected by BellSouth. These are: (1) discriminatory access to operations support systems ("OSS"); (2) discriminatory access to unbundled network elements; (3) discriminatory rates; and (4) aggressive anti-competitive pricing and win-back programs. All of these barriers are natural outgrowths of the inherent conflict of interest driving BellSouth.

The fundamental problem in OSS parity is that BellSouth uses internal, well-established and decades-old OSS to provide services to its own customers, while competitors must use new, fragile OSS whose development and maintenance have been held hostage by BellSouth's actions and inactions. ALECs using BellSouth's OSS must wait much longer than BellSouth's retail arm to obtain access to BellSouth's network and to provide local telephone services, and their

[2] Not surprisingly, few ALECs can afford to engage in the protracted litigation necessary to resist BellSouth's anticompetitive tactics.

customers are subjected to confusion, outages, and errors. This is a significant barrier to competition, as the FCC has recognized:

> [c]ompeting carriers must have access to the functions performed by the incumbent's OSS in order to formulate and place orders for network elements or resale services, to install service for their customers, to maintain and repair network facilities, and to bill customers. . . . [W]ithout nondiscriminatory access to the BOC's OSS, a competing carrier 'will be severely disadvantaged, if not precluded altogether, from fairly competing' in the local exchange market.

SBC Kansas-Oklahoma Section 271 Order, Joint Application by SBC Communications, Inc. et al., for Provision of In-Region, InterLATA Services in Kansas and Oklahoma, Memorandum Opinion and Order at ¶ 104, CC Docket No. 00-217, FCC No. 01-29, (Rel. January 22, 2001) (quoting *Bell Atlantic New York 271 Order*).

Five years of experience proves that this disparity will not be voluntarily remedied by BellSouth without forceful action by the Commission. BellSouth simply has not devoted sufficient technical and related resources necessary to develop OSS which provide parity to ALECs, and it has little incentive to do so. Rather, BellSouth's strategy has been to devote absolutely minimal resources to the development of OSS – just enough, it hopes, to secure approval of a Section 271 application. Most importantly, BellSouth determines and controls the timetable for any OSS improvement, development and implementation. Structural separation would provide a remedy for this serious competitive impediment: If BellSouth had to use the same OSS to serve its customers as that which it provides to ALECs, not only would BellSouth lose the competitive advantage it gains from provision of substandard OSS, but in the longer term, OSS would improve for all providers.

And the current OSS problems threaten to be just the tip of the iceberg. In the future, OSS discrimination will certainly be even more subtle. For instance, BellSouth need only provide a few untimely, inaccurate or incomplete bills to ALECs in order to wreak havoc and,

perversely, enhance its own competitive position. This is because customers likely would blame the ALECs for billing and other errors and would switch back to BellSouth, even if the billing errors were caused by BellSouth. Being in the local business itself, BellSouth is keenly aware that billing errors, perhaps more than any other single aspect of customer service, can easily sabotage competitors' efforts to recruit and retain local customers. In other words, BellSouth knows that if it cannot retain its local monopoly by stopping customers from leaving in the first place, it can do so on the rebound when customers get dissatisfied with their new telephone service provider.

A second critical obstacle has been BellSouth's unwillingness to provide UNEs in the manner requested by ALECs and on the same terms and conditions as BellSouth provisions its own retail services. BellSouth's failure to provision UNE-P and UNE loops in the same manner in which it serves its own retail customers has been the subject of numerous arbitrations, complaints, and three rejections by the FCC and other state commissions of BellSouth's 271 applications. And more fundamentally, BellSouth is continuing its non-discriminatory provisioning approach with respect to advanced services such as xDSL services. Even after definitive direction from the FCC, BellSouth continues to refuse to permit line splitting and is not taking any active steps to ensure that ALEC customers served by UNE-P can receive xDSL service in the manner permitted by the Act and specifically required by the FCC (see Third Report and Order on Reconsideration, CC Docket No. 98-147 and Fourth Report and Order on Reconsideration, CC Docket No. 96-98 (January 19, 2001)). Again, structural separation would eliminate this obstacle to competition because every provider – including BellSouth – would serve customers through the same efficient methods.

A third critical obstacle is the pricing barrier. Sections 251 and 252 of the Act require BellSouth to price unbundled network elements at cost and on a non-discriminatory basis, and this Commission is in the process of developing cost-based UNE rates. However, even after the Commission concludes this proceeding, BellSouth's "internal" pricing will remain just that – "internal." This is because the prices which BellSouth must charge itself are not formalized by structural separation. As a result, BellSouth will never actually "charge" itself any UNE rate. Rather it will continue to be able to establish retail prices to the detriment of ALECs in Florida. Without structural separation, BellSouth will continue to have every incentive to discriminate in favor of its own retail services, and to hide that discrimination from the Commission. There is no solution for this pricing discrimination except establishing a separate BellSouth affiliate for serving retail customers and requiring this retail officiate to deal at arm's length with the BellSouth wholesale affiliate offering network facilities.

A fourth, and equally important obstacle, relates to anti-competitive pricing programs and win back provisions. BellSouth has a pattern of attempting to stamp out competition by offering attractive pricing arrangements to high value customers, before they are lost to the competitors, and also with generous "win back" offers if any customers are lost to competitors. For support of the former, one need look no further than BellSouth's multi-year program to lock customers into long-term "Contract Service Agreements" ("CSA's") and thus keep them from being interested in dealing with competitors. Additionally, BellSouth has every incentive to share customer information across its various organizations, such that when a competitor places an order with BellSouth to switch a customer, the customer almost immediately receives a letter or call to the customer seeking to have them "return to BellSouth." Only if BellSouth is divided into two companies—both of which must deal with one another at arm's length -- will the

incentive be reduced for BellSouth to keep customers "under wraps" through CSAs. Likewise, the incentive for BellSouth to internally share "win back" information would be eliminated.

To date, state commissions and the FCC have addressed these and other issues piecemeal, as they arise. Such an approach obviously has not worked. It also has played directly into BellSouth's strategy to "divide and conquer" at every turn, because there is no end to the potential methods and arguments at BellSouth's disposal to hinder competition. Specifically, the sheer number and repetitiveness of arbitrations, complaints and other commission proceedings during the past five years in Florida alone attest to this. Moreover, piecemeal resolution of issues under the "divide and conquer" theory of regulatory compliance allows BellSouth to throw its regulatory resources and attendant policy justifications at every proceeding that arises. The only way to avoid these tactics is to require BellSouth's retail arm to be provided with the same prices, terms and conditions and access to network facilities as are provided to all other ALECs and remove the inherent conflict of interest that comes with being both a wholesale provider and retail competitor at the some time.

That BellSouth's anticompetitive practices have succeeded in forestalling local competition is confirmed by the relevant evidence. The most recent market share data from the FCC shows that, five years after the Act, ALECs serve only 6.7 percent of local telephone lines. *Local Telephone Competition* (December 2000). By virtue of its demographics, competition in Florida should be among the leaders in competition across the county, but, instead, Florida lags behind the national average: ALECs have only a 6.1 percent market share in the state. *Competition in Telecommunications Markets in Florida*, FPSC Report at 7 (December, 2000). And even these modest shares are overstated. According to the FCC, about half of the lines served by competitive LECs are resold lines, *id.*, a strategy which many ALECs have announced

they are abandoning.[3] In Florida, well over half of the ALECs responding to FPSC inquiries identified resale as their method of providing service. *Id.*[4]

In short, "By any measure, competition in Florida's local phone marker is virtually absent." *Florida Consumers Need Real Local Phone Competition, Fair Access to Monopoly Wires is the Key,* Mark Cooper, Director of research, Consumer Federation of America, at 1 (Jan. 2001). In fact, earlier this year, the Consumer Federation of America concluded that the "local monopolies have managed to maintain their stranglehold on Florida's local telephone market by continually resisting any attempts to open the market up for new entrants." *Florida Consumers Losing Out Over Failure of Local Phone Competition*, Press Release (Jan. 23, 2001).

Perhaps most telling about this sorry state of competition in Florida is the abandonment by the ILECs of their own efforts to compete with one another. On March 3, 2001, SBC announced that it was scaling back plans to offer telecommunications services in 30 markets outside its traditional service areas in the Midwest and Southwest. *See SBC Communications to Scale Back Plan to Expand Telecom Service Offerings,* The Philadelphia Enquirer (Mar. 3, 2001). As part of its "scale back" effort, SBC closed its call center in Tampa, laying off 400 workers there. *SBC's Expansion Plans Get Hung Up; Ameritech Buyer Is Cutting Costs,*

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[3] *See* D. Moffat, *Weighing In With Wall Street*, Telephony (June 7, 1999) ("In the resale CLEC model, assets and infrastructure are kept to a minimum. At this point, however, it is probably safe to discount the viability of the straight resale model. The basic premise of the resale strategy was to acquire a base of resale customers and later migrate this customer base onto a CLEC infrastructure. What generally happened was that CLEC resale players garnered insufficient resale margins and found that resale customers were tough to migrate. They also found they had little control over network costs. Many CLEC resellers are already on the ropes."). *See also Troubles of USN Call into Question Viability of Local Resale at Current Discounted Rates*, Telecommunications Reports, at 5 (Sept. 14, 1998) (reporting that competitive LECs are abandoning resale).

[4] Of the seventy-five respondents that identified their market entry method, 40 (57%) identified resale as their sole market entry vehicle. An additional 15 respondents declined to make their market entry method public. *Competition in Telecommunications Markets in Florida*, FPSC Report, (December, 2000)

Chicago Tribune (Mar. 07, 2001); *see also SBC Telecom to Close Tampa, Fla., Call Center*, Tampa Tribune (Mar. 06, 2001) and *Bells are Failing to Compete as They Promised*, Network World, (March 05, 2001). Ironically, while BellSouth had originally trumpeted SBC's plans as proof of competition, BellSouth "declined to comment" on SBC's most recent announcement scaling back those plans. *SBC Retreats from Atlanta*, Atlanta Journal-Constitution (Mar. 3, 2001).

This lack of competition stands in stark contrast to BellSouth's financial reports. BellSouth recently reported an earnings per share increase from 55 cents in the fourth quarter of 1999 to 59 cents in the fourth quarter of 2000. Additionally, BellSouth reported earnings per share in 2000 of $2.23, compared with $1.80 in 1999, and BellSouth continues to forecast earnings per share growth of 7-9%. *Id.* While wireless, data, and international services certainly account for some of these figures, BellSouth also grew its local service revenues in 2000 on a GAAP basis by 3.4%. While ALECs struggle to gain each customer, BellSouth increased its total equivalent access lines in service 25.3% from 1999 to 2000. Its annual growth rate in access line equivalents since 1995 has been 14.9%. It also grew its convenience feature revenue more than 12% from 1999 to 2000. Moreover, BellSouth has averaged an astounding 22.0% growth rate in convenience feature revenue since 1995. Regarding deployment of advanced services, it is particularly telling that while other DSL carriers struggle and fail, BellSouth reports beating its own targets for DSL deployment. In the 4th Quarter 2000 alone, BellSouth added 81,000 DSL customers, an increase of 60.4% in three months.

Meanwhile, the ALEC industry stands on the verge of collapse.[5] This is because most ALECs do not "own the strategic assets" necessary to compete but must "rely on the ubiquitous Bell network" – a network that remains largely closed to new entrants.[6] "[I]nvestors [have] los[t] confidence in the fundamentals of the CLEC business model,"[7] "there has been 'carnage' among CLEC stocks,"[8] and numerous ALECs have filed (or are on the verge of filing) for bankruptcy.[9]

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[5] In no market segment is this trend more apparent, or has the descent into "free fall" been sharper, than among "data LECs" that sought to provide competitive DSL services. These former "stock market darlings" are now on the verge of extinction. Analysts have concluded that the data LECs are "unequipped to compete with the giants of the industry" – the incumbent local carriers – who "have clearly captured the upper hand in the battle to roll out DSL service." *See* J. Hall, *NorthPoint's Stock Plunges After Verizon Nixes Deal*, Reuters (Nov. 30, 2000) (quoting Michael Bowen).

[6] J. Whitman, *New Entrants: Battling the Bells*, Wall Street Journal, at R17 (Sept. 18, 2000). *See also* B. Ploskina, *It's Open Season For CLEC Consolidators*, Interactive Week (Oct. 11, 2000) (reporting that competitive LECs are "facing hard times" because they are forced to rely "on incumbent carriers").

[7] M. Farrell, *ICG Tanks, Depressing Other CLECs*, Multichannel News (Oct. 2, 2000).

[8] J. Mulqueen, *ICG Hit Hard by Revenue Shortfall, Resignations*, Interactive Week (Oct. 8, 2000). *See also id.* ("Another piece of the crumbling new carrier industry has plummeted to the ground").

[9] *FBN Telecom Year In Review - 2*, Federal Filings Newswire (Jan. 2, 2001) ("[W]eaker CLECs may go under and play out their final days in a bankruptcy court, market observers say."); S. Levine, *et al.*, *2001: We make Eight Predictions for the Year in Telecom*, America's Network, at 40 (Jan. 1, 2001) (The "new Millennium" has been "dismal" for competitive LECs.); R. Fisher, *From the Desk of . . . Robert Fisher*, Communications Today (Dec. 22, 2000) ("As has been widely reported in the press the telecom industry as a whole and the CLEC industry in particular have come upon some difficult times.") P. Sherer, *Deals & Deal Makers: Too Much Telecom*, Wall Street Journal, at C1 (Aug. 15, 2000) ("[T]he telecom landscape is littered with troubled firms."); J. St.Onge, *Amer MetroComm Asks to Abandon Cisco Gear It Calls Faulty*, Dow Jones News Service (Oct. 10, 2000) (reporting on Aug. 23 Chapter 11 filing and ongoing bankruptcy proceedings); J. St. Onge, *A Bankruptcy Boom Is Starting To Have Ripple Effects*, Dow Jones News Service (Oct. 5, 2000) ("[I]n just the past few months, dozens of [ISPs] and telecom start-ups have filed for bankruptcy."); H. Draper, *ICG's Tumble A Wake-Up Call to Telecom Firms*, Denver Rocky Mountain News, at 1G (Sept. 24, 2000) ("Certainly, ICG is at risk of bankruptcy and other CLECs will be in the same boat"); J. Mulqueen, *Carrier's Purchasing Plans In Question*, Interactive Week (Oct. 1, 2000) ("Several [securities analysts] noted that some competitive local exchange carriers were not meeting revenue projections, some had gone bankrupt and that the capital markets, especially junk bonds, were closed to new carriers."); *Darwin Claims Another CLEC*, Communications Today (Oct. 4, 2000) ("Nettel is just the latest telecom casualty in the dog-eat-dog CLEC arena."); J. Whitman, *McLeodUSA's CapRock Buy May Mark New Consolidation Round*, Dow Jones News Service (Oct. 3, 2000) (many competitive are "likely to face bankruptcy").

Some analysts even predict that ILECs have been so successful in resisting implementation of the Act that "none of the CLECs will be able to survive."[10]

ARGUMENT

I. THE COMMISSION SHOULD ORDER THAT BELLSOUTH BE STRUCTURALLY SEPARATED INTO DISTINCT WHOLESALE AND RETAIL COMPANIES

This is a critical transition time for local competition. The courts only recently have confirmed that ALECs have the right to purchase combinations of UNEs, which is the only near-term vehicle that can support competitive entry at the mass market level. At the same time, many ALECs have been pushed into or are on the verge of bankruptcy. As a result, UNE-based competition is both just emerging and very fragile. If BellSouth is able to block the emergence of UNE-based competition, as it has successfully done for five years now, it may never develop. This is particularly true once BellSouth has established itself as the only carrier that can offer on a mass market basis a packaged offering of local and long distance voice and data services – especially as it signs up more and more customers to long-term contracts for DSL service. More fundamentally, in light of current market conditions, an ALEC that "earns" a poor reputation for service because of discrimination by BellSouth may never fully recover in the marketplace.[11] Similarly, BellSouth can further deter entry by establishing a reputation for willingness to engage

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[10] W. Wade, *Stumbling Carriers Jar Rollout of DSL*, Electronic Engineering Times, at 1 (Dec. 4, 2000).

[11] *UNE Remand Order* ¶ 87 (noting competitive LECs are at a reputational disadvantage because "competitive LECs must establish a brand name and develop a reputation for service quality before they can overcome the incumbents' long-standing relationships with their customers."); *Ameritech-SBC Merger Order* ¶ 237 (reputational harms inflicted by incumbent LECs limit the ability of competitive LECs to enter the local telephone services market). *See also* Complaint, Decision and Order, *In re Digital Equipment Corporation,* FTC Docket No. C-3818, 1998 FTC LEXIS 75 (July 14, 1998); Proposed Consent Order and Analysis to Aid Public Comment, 63 Fed. Reg. 24544 (May 4, 1998). *See generally* Neal R. Stoll, *Current Developments in Federal Antitrust Enforcement: Solutions, Settlements and Surrender*, 795 PLI/Corp 413 (1992).

in predatory conduct.[12] BellSouth's trench warfare tactics have already resulted in many rivals having to rethink their attempts to serve residential customers.[13]

For precisely these reasons, the Pennsylvania Public Utility Commission ("Pennsylvania PUC") compelled structural separation of Verizon-Pennsylvania's wholesale and retail services and imposed on Verizon-Pennsylvania a "Code of Conduct" to ensure that it did not discriminate in favor of its retail affiliate. *Pennsylvania Structural Separation Order* at 235-36. In affirming this order, the Commonwealth Court of Pennsylvania upheld both the Pennsylvania PUC's authority to require structural separation and its conclusion that structural separation and a strict Code of Conduct are necessary to achieve competition in Pennsylvania. *See Bell Atlantic-Pennsylvania*, 763 A.2d at 464, 466-69. Petitioners urge the Commission likewise to order the structural separation of BellSouth Telecommunications, Inc. into distinct wholesale and retail units.

Generally speaking, structural separation means that BellSouth would establish a retail affiliate which would provide finished services to consumers and have the customer relationship, just as any other ALEC, and establish a separate wholesale affiliate which would continue to own and operate the network facilities necessary to provide local telephone services in Florida. Thus, in order to provide finished retail services, the retail affiliate would have to negotiate an

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[12] *See* J. Ordover & C. Saloner, *Predation, Monopolization, and Antitrust*, in Handbook of Industrial Organization 550 (R. Schmalensee & R. Willig eds., 1989) (discussing the benefits derived by the dominant firm through its reputation earned due to its predatory pricing activities); G. Hay, *The Economics of Predatory Pricing*, 51 Antitrust L.J. 361, 365 (1982) (demonstrating predatory pricing based on the reputational effects of the dominant firm).

[13] *See, e.g., Armstrong Warns AT&T May Pull Out Of Local Phone Markets*, Communications Daily, at 7 (Feb. 8, 2000); D. DeKok, *State College, Pa., Telecom Firm Blames Verizon for Phone Delays*, Knight-Ridder Tribune Business News: The Patriot-News - Harrisburg, (Sept. 29, 2000) (2000 WL 27468843).

interconnection agreement with the wholesale affiliate, pay cost-based UNE rates to the wholesale affiliate, and access that affiliate's OSS, just like every other ALEC.

But true structural separation requires more than a mere accounting gimmick. Through a number of mechanisms, structural separation, properly done, would ensure that the newly separate affiliates are *functionally* separate, so that regulators, as well as competitors, can identify the rates, terms, and conditions on which services will be available to all potential purchasers. Such separate corporate affiliates would, for example, maintain separate books, records, and accounts from the wholesale arm, maintain separate facilities, and deal at arms length, in writing, with the wholesale arm. *Accord, CMRS Structural Separation Order* ¶ 38(1)-(3) (detailing separate affiliate requirements to be applied to LECs' commercial mobile radio services affiliates). Structural separation, however, does not "require divestiture of the wholesale function." *Pennsylvania Structural Separation Order* at 216.

Regarding the authority of this Commission to order structural separation of BellSouth, the Act expressly contemplates that state utility commissions will take independent action under state authority consistent with the pro-competitive policies of the Act. *See, e.g.,* Act § 253 (b) (States maintain ability "to impose, on a competitively neutral basis and consistent with section 254, requirements to necessary to preserve and advance universal service, protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers.") Additionally, §261 of the Act provides "[n]othing in this part precludes a State from imposing requirements on a telecommunications carrier for intrastate services that are necessary to further competition in the provision of telephone exchange service or exchange access, as long as the State's requirements are not inconsistent with this part or the Commission's regulations to implement this part.".); Furthermore, §601 (c) of the Act provides

that the Act and the amendments made by the Act "shall not be construed to modify, impair, or supercede. . . State. . . law unless expressly so provided in such Act or amendments.").

Moreover, there can be no question that this Commission has authority under existing Florida law to order structural separation of BellSouth into distinct wholesale and retail corporate subsidiaries. Specifically Section 364, Florida Statutes, gives the Commission broad and exclusive authority over incumbent local exchange companies, including BellSouth. In particular §364.01(2) of the Florida Statute provides, "It is the legislative intent to give exclusive jurisdiction in all matters set forth in this chapter to the Florida Public Service Commission in regulating telecommunications companies . . . ."), and §364.01(3) provides that "The Legislature further finds that the transition from the monopoly provision of local exchange service to the competitive provision thereof will require appropriate regulatory over sight to protect consumers and provide for the development of fair and effective competition...") Furthermore, §364.01(4) provides that "The Commission shall exercise its exclusive jurisdiction in order to: . . . (c) Protect the public health, safety, and welfare by ensuring that monopoly services provided by telecommunications companies continue to be subject to effective price, rate, and service regulation [and] (i) Continue its historical role as surrogate for competition for monopoly services provided by local exchange telecommunications companies." Additionally, the retail/wholesale distinction already exists in Florida's statutes: §364.051 provides a regulatory scheme for retail services provided by ILECs, while §364.163 establishes a separate regulatory methodology for wholesale network services.

This Commission should use its broad and specific authority to order a wholesale/retail corporate structure whereby BellSouth would separate completely its retail and wholesale activities. A retail service company ("Retail Co.") would be established that is separate from the

current local network operations. All retail local and any long distance telecommunications services would be housed in the Retail Co., while the wholesale company ("Wholesale Co.") would manage the local network and sell it on a "carrier to carrier" basis to all retailers, including Retail Co., interfacing with every retail service provider on the same basis and using the same personnel and systems. The separation of Retail Co. from Wholesale Co. would be absolute, other than sharing the same parent company. Retail Co. and Wholesale Co. (or any of their affiliates) would not share officers, directors, personnel, equipment, buildings, services or other resources and would interact in writing. In addition, Section 272 separation requirements of the Act also would apply to Retail Co.

The role of Wholesale Co. would be to own and operate the existing local exchange network, and it would be required to make that network and related operational support available on a nondiscriminatory basis to Retail Co. and all ALECs. All Wholesale Co. offerings purchased by Retail Co. would be via tariff (or some other generally available mechanism), with prices established by the Wholesale Co.'s board of directors subject to the non-discriminatory requirements of the Act. The Retail Co. would have to pay the same price for UNEs as ALECs. Because structural separation includes the mandate that the Retail Co. would not be permitted to sell services below its costs, BellSouth's Wholesale Co., would have incentive to moderate its UNE rates downward so that its retail arm could effectively compete against ALECs. This would be a first for establishing cost based and nondiscriminatory pricing for all competitors, including BellSouth's retail operations.

The role of Retail Co. would be to offer all the end-user services which compete with ALECs. Thus, the Retail Co. could offer any retail service to any end user. Retail Co. would interface with Wholesale Co. in precisely the same manner as other ALECs do (because the

Retail Co. would not own any network facilities) and could only provide services by negotiating an interconnection agreement at arm's length with Wholesale Co. Retail Co. would need to switch every local customer just as any other ALEC would again, using the same OSS interfaces used by ALECs), and would purchase wholesale inputs from Wholesale Co. at the same rates, terms and conditions as other ALECs. Fundamentally, Wholesale Co. would not be permitted to develop or offer any interfaces or OSS equipment to Retail Co. which Wholesale Co. also does not make available to other ALECs. Finally, Retail Co. would pay access charges, UNE rates and reciprocal compensation to Wholesale Co., just as ALECs do.

As the Pennsylvania Commission understood, structural separation also requires the adoption of a Code of Conduct for both Wholesale Co. and Retail Co. to establish a higher degree of transparency in the wholesale-retail relationship. The Commission could adopt a number of different requirements as part of such a Code of Conduct, such as banning discrimination and cross-subsidization, requiring that BellSouth not provide information to its retail affiliate without simultaneously sharing information with its retail rivals, requiring that the wholesale arm and retail affiliate maintain separate buildings and separate employees, barring the wholesale arm from providing operations, installation, and maintenance for the retail affiliate, and barring the wholesale arm from making misrepresentations about the relative quality of the retail affiliate's repair or provisioning service.

Overall, structural separation "is a pragmatic and moderate attempt to enable dominant producers or suppliers whose participation in a given market raises special problems to participate, while reducing the risks that their customers or competitors will be disadvantaged by such participation." *Computer II*, 77 FCC.2d 384, ¶ 205 (1980). In particular, structural separation of the wholesale and retail arms of BellSouth would reduce both its ability and

incentive to engage in price and non-price discrimination strategies discussed above. Currently, BellSouth has incentive to charge competitors the highest rates it can for UNEs, because, no matter what it charges others, its incurs only the actual economic cost (or less) of using its network.[14] If BellSouth were structurally separated, the retail arm would have to pay the same price for UNEs as ALECs.

Likewise, structural separation would help prevent non-price discrimination by decreasing BellSouth's incentives to engage in such discrimination and by making it easier to detect such discrimination should BellSouth attempt it. As currently constituted, BellSouth has the incentive to deny competitive LECs equal, nondiscriminatory access to the technical provisioning it gives itself. *See Bell Atlantic-GTE Merger Order (In re Application of GTE Corporation and Bell Atlantic for Consent to Transfer Control,* Memorandum Opinion and Order at ¶¶ 201-05, CC Docket No. 98-184, FCC No. 00-221 (Rel. June 16, 2000)). If this Petition is adopted, however, the retail affiliate would not own any network facilities, but could only provide services by negotiating at arm's length an interconnection agreement with the wholesale affiliate just like other ALECs presently do with BellSouth. To the extent that the retail arm negotiates beneficial terms, under the FCC's "pick and choose" rules BellSouth would be required to give those very same terms to ALECs. *See* 47 U.S.C. §§ 251(c)(2)(C), (d), (i). By forcing the retail and wholesale units to deal at arm's lengths, structural separation would assist the Commission in detecting discrimination by making it easier to benchmark the way in which the wholesale unit provisions UNEs. This would be helpful in developing performance measurements, benchmarks and financial penalties for failure to meet the same. Specifically,

[14] *See Bell Atlantic-GTE Merger Order* ¶ 166 ("[T]he incumbent LEC may profit from imposing high loop charges, or access charges, on both its affiliates and its competitors, because the charges to its affiliates constitute only an internal transfer.").

requirements that the separate affiliates use separate buildings and separate employees and interact in writing and prohibitions against the wholesale arm providing operations, installation and maintenance for the retail arm also would make it more difficult for the wholesale arm to favor the retail arm or to pass along information to the retail arm in a discriminatory manner.[15] Overall, by reducing the underlying conflict of interest that pervades BellSouth today, structural separation would reduce or eliminate the incentives BellSouth has to impede competition and thus reduce or eliminate the constant barrage of police actions required of the Commission now to maintain the piecemeal approach of getting BellSouth to comply with the Act.

In light of the steadily decreasing number of incumbents (via mega-mergers in the telecom industry) that regulators may use as benchmarks by which to measure how each incumbent provides service to its affiliates and to competitors, it is especially crucial that BellSouth's regulators and competitors be able to determine and assess the terms by which BellSouth provisions its affiliates and rivals. *Cf. Ameritech-SBC Merger Order* ¶¶ 165-70 (noting the decreased ability of regulators to benchmark BOC provisioning against other BOCs because of recent mergers). Structural separation fosters such benchmarking by achieving a "minimum level of transparency [that permits regulators] to police the price and nonprice discrimination concerns." *Id.* ¶ 61.

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[15] *See, e.g., Re Affiliated Activities, Promotional Practices, and Codes of Conduct of Regulated Gas and Elec. Cos.*, 202 P.U.R.4th 177 (Md. P.S.C. 2000) (instituting code of conduct in order to: "prevent regulated service customers from subsidizing unregulated affiliates; prevent affiliates from gaining any improper advantage in their competitive markets as a result of their affiliation to a regulated utility; minimize inappropriate communication between a utility and its affiliates regarding confidential information; protect the privacy of consumers; and prohibit discrimination in the provision of regulated services"); *SCANA Corp.*, 198 P.U.R.4th 158 (N.C.U.C. 1999) (implementing code of conduct in order "to avoid even the possibility of affiliate abuse and, in essence, to prevent the possibility of SCANA exercising market power by raising rivals' costs")

Finally, Petitioners note that the relief sought here is a regulatory tool that has been routinely applied to other regulated industries to facilitate a smooth, fair transition from regulatory monopolization to full, vibrant competition. For example, various levels of structural separation, ranging from Codes of Conduct[16] to the actual economic divestiture of power generation facilities,[17] have been employed by state regulatory commissions in the gas and electric utility industries. These commissions have all reasonably concluded that some type of structural separation of bottleneck transmission facilities from power generation facilities is necessary to prevent monopoly abuse of transmission facilities that would prevent the emergence of a competitive generation market.

Likewise, in the area of telecommunications "there is nothing novel about . . . separate subsidiary requirements." *GTE Midwest*, 233 F.3d at 345. The FCC has found structural separation requirements a useful tool for preventing cross-subsidization and protecting against monopoly power abuses in a number of contexts. Thus, the FCC has ordered structural

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[16] *See, e.g., Re Affiliated Activities, Promotional Practices, and Codes of Conduct of Regulated Gas and Elec. Cos.*, 202 P.U.R.4th 177 (Md. P.S.C. 2000) (instituting two codes of conduct for gas and electric company "core service" and "non-core service" affiliates); *SCANA Corp.*, 198 P.U.R.4th 158 (N.C.U.C. 1999) (requiring gas utility to follow regulatory conditions and code of conduct, including cost allocation and pricing standards, non-discrimination requirements, and other protective measures designed to prevent affiliate abuse); *Delmarva Power & Light Co.*, 193 P.U.R.4th 514 (Del. 1999) (instituting code of conduct for gas distribution affiliate participating in marketing program); *Affiliated Transactions and Affiliate Standards of Conduct of Cos. Providing Gas or Electric Serv. in Maryland*, 183 P.U.R.4th 277 (Md. P.S.C. 1998) (instituting codes of conduct and cost accounting requirements for gas and electric affiliates); *Amended Substitute House Hill 476*, 1996 WL 694706 (Ohio P.U.C. September 26, 1996) (requiring affiliates to engage in "separation plan" through either structural and physical separation or proof of following a code of conduct); *Retail Competition Pilot Program*, 1996 WL 1070168 (N.H.P.S.C. June 3, 1996) (applying code of conduct to electric utility affiliates after utilities engaged in affiliate abuse).

[17] *See, e.g., Public Service Electric and Gas Company's Rate Unbundling Stranded Costs and Restructuring Filings*, 748 A.2d 1161, 1186-87 (N.J. Super. Ct. App. Div. 2000) (affirming the New Jersey Board of Public Utilities' decision to require divestiture of electric utility's generation-related assets).

separation of ILEC landline and commercial mobile radio services, structural separation of BOC consumer premises equipment services, and structural separation requirements as to advanced services.[18]

There should be no doubt: structural separation can and should be accomplished. In sum, this Commission should conclude that it is both appropriate and necessary to require structural separation for BellSouth's wholesale and retail arms. Such action must be taken to assure that true competition arrives in Florida's local exchange market – for the benefit of competitors and consumers alike – before it is too late.

CONCLUSION

For the reasons stated above, the Commission should institute a proceeding to order the structural separation of BellSouth into distinct retail and wholesale units. In this proceeding, the Commission should consider the appropriate means and mechanisms (including imposition of a Code of Conduct) for accomplishing structural separation.

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[18] *See, e.g., id.* at 348 (affirming FCC rules requiring structural separation of LECs' landline and commercial mobile radio services); *Illinois Bell Tel. Co. v. FCC*, 740 F.2d 465, 472 (7th Cir. 1984) (affirming FCC regulation requiring structural separation of BOCs' consumer premises equipment services); *Computer and Communications Indus. Assoc. v. FCC*, 693 F.2d 198, 218-19 (D.C. Cir. 1982) (affirming *Computer II*, 77 FCC.2d 384 (1980), structural separation requirements as to advanced services), *GTE Serv. Corp. v. FCC*, 474 F.2d 724, 732 (2d Cir. 1973) (affirming *Computer I*, 28 FCC.2d 267 (1971), structural separation requirements as to data processing services); *Bell Atlantic-GTE Merger Order* ¶¶ 260-73 (requiring structural separation of advanced services affiliates); *Ameritech-SBC Merger Order* ¶¶ 363-70 (same).

Respectfully submitted this 21st day of March, 2001.

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Attorney for AT&T
Communications of the
Southern States, Inc.,
TCG South Florida, and
MediaOne Florida
Telecommunications, Inc.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Complaint of IDS Long Distance, Inc. n/k/a IDS Telcom, L.L.C., Against BellSouth Telecommunications, Inc., and Request for Emergency Relief.	)))))	Docket No. 010740-TP Filed May 11, 2001

COMPLAINT AND REQUEST FOR EMERGENCY RELIEF

Comes now IDS Long Distance, Inc. n/k/a IDS Telcom, L.L.C., ("IDS"), by and through its undersigned counsel and pursuant to Section 252 of the Telecommunications Act of 1996 ("Act"), Sections 364.01, 364.03, and 364.05, Florida Statutes, and Rule 25-22.036(5), Florida Administrative Code, and hereby files this Complaint against BellSouth Telecommunications, Inc. ("BellSouth"), for breach of the Interconnection Agreement between the parties, for consistent failure to provide OSS and UNEs at parity with those provided to BellSouth's own retail division and retail customers, and for unlawful and outrageous anticompetitive activities.

The Parties

1. The name and address of the Complainant is:

   IDS Long Distance, Inc. n/k/a IDS Telcom, LLC
   1525 Northwest 167th Street, Second Floor
   Miami, Florida 33169

IDS is a limited liability corporation organized and formed under the laws of the State of Florida with its principal place of business at 1525 Northwest 167th

SUPRA

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Street, Second Floor, Miami, Florida 33169. IDS is a local and long distance company providing various types of telecommunications services. IDS has Certificates of Authority issued by the Florida Public Service Commission that authorize IDS to provide alternative local exchange services and interexchange services in Florida. IDS is a "telecommunications carrier" and a "local exchange carrier" under the Telecommunications Act of 1996.

2. Copies of all pleadings, notices, orders, discovery, and correspondence regarding this Complaint should be provided to the following on behalf of IDS:

Suzanne F. Summerlin, Esq.
1311-B Paul Russell Road, Suite 201
Tallahassee, Florida 32301
(850) 656-2288 (telephone)
(850) 656-5589 (fax)
summerlin@nettally.com

3. The name and principal place of business of the Respondent to this Complaint is:

BellSouth Telecommunications, Inc.
150 West Flagler Street
Suite 1910
Miami, Florida 33130

BellSouth is a corporation organized and formed under the laws of the State of Georgia, having an office at 675 West Peachtree Street, Atlanta, Georgia 30375. BellSouth provides local exchange and other services within its franchised areas in Florida. BellSouth is a "Bell Operating Company" and an "incumbent local exchange carrier" ("ILEC") under the terms of the Telecommunications Act of 1996.

Introduction

4. IDS is an interexchange carrier ("IXC") and an alternative local exchange carrier ("ALEC") operating in the States of Florida, Alabama, Georgia, Kentucky, and South Carolina. IDS began its operations in 1989 as an IXC and built an excellent reputation as a quality provider of long distance services. Subsequent to the passage of the Telecommunications Act of 1996, IDS began offering local exchange services as an ALEC primarily to small and medium-sized businesses. IDS also provides service to some residential customers. IDS has offered long distance services in Florida for eleven years. IDS has offered local exchange services in Florida for the past two years and plans to rapidly expand its operations throughout the BellSouth territory. IDS began offering local exchange services on a resale basis, but once it became legally and technically possible to purchase unbundled network elements ("UNEs") to provide such services, IDS began ordering UNEs from BellSouth. Since May 2000, IDS has been ordering UNEs from BellSouth.

5. IDS has experienced tremendous problems in its dealings with BellSouth since IDS began to provide local exchange services two years ago. In spite of the fact that the Interconnection Agreement between IDS and BellSouth explicitly states that BellSouth shall provide Operational Support Systems ("OSS") and UNEs to IDS at parity to BellSouth's own internal OSS and the UNEs it provides its own retail customers, this has never happened. One of the fundamental problems IDS has experienced has been BellSouth's consistent failure to process IDS' orders in a timely and competent manner. BellSouth has

monumentally failed to provide OSS to IDS that is equivalent to the OSS BellSouth uses internally. This translates to IDS' customers being subjected to having their telephone service disconnected completely for an indefinite period of time, having their voicemail lost, waiting a much longer period of time to obtain IDS' services than they would wait for equivalent BellSouth service, incompetent installations of service, incompetent repairs of service, and on and on.

6. A second fundamental problem IDS has experienced is that BellSouth has not provided UNEs to IDS' customers in a fashion that is equivalent to the provisioning of UNEs to BellSouth's own retail customers. Due to BellSouth's failures in its OSS in regard to the provisioning of UNEs, IDS has lost countless customers. IDS' customers wait for a much longer time than BellSouth's retail customers to get their service connected. IDS' customers do not get service that is equivalent to that provided to BellSouth's customers. As a matter of fact, BellSouth refused to provide UNEs to IDS for many months, requiring IDS to continue paying the substantially higher rates associated with resale of local exchange services. BellSouth has credited IDS a portion of the excess cost IDS paid for resale rates during the period BellSouth failed to provision the requested UNEs, but BellSouth has yet to reimburse IDS for its full costs.

7. A third, and the most significant, problem IDS has experienced is that BellSouth has been waging an anticompetitive war against IDS. This war has included the utilization of a promotional tariff called the "Full Circle Program" in which BellSouth offers IDS' customers substantial discounts (some under cost)

to come back to BellSouth and enter into an extended term agreement. What makes this promotional tariff truly devastating is that BellSouth uses it when IDS' customers call BellSouth to find out why their service has been disconnected (prior to the due date for their conversion to IDS) or otherwise impaired (BY BELLSOUTH!). Not only does BellSouth utilize its own OSS and UNE-provisioning errors and mistakes and negligence, if not downright ***intentional*** errors and mistakes and negligence, to capitalize on winning back IDS' customers, BellSouth has actual telemarketing campaigns targeting IDS' customers with misrepresentations about IDS. BellSouth's telemarketers have called IDS' customers, both prior to and immediately after their conversion to IDS, and stated to those customers that IDS is "going out of business" or "ready to declare bankruptcy" or otherwise unable to provide good service to them. Affidavits of customers attached to this Complaint substantiate these allegations.

8. This anticompetitive war has resulted in BellSouth winning back thousands of IDS' customers and making IDS' effort to provide alternative local exchange services in the State of Florida (already practically impossible) completely impossible. Neither IDS, nor any other ALEC, can survive the onslaught of BellSouth's anticompetitive tactics any longer. The Affidavit of IDS' Vice President Keith Kramer attached hereto details IDS' financial damages incurred as a result of BellSouth's anticompetitive activities. IDS requires immediate, dramatic and comprehensive relief from the Florida Public Service Commission ("the Commission"). IDS requests that the Commission immediately suspend the Full Circle Program and all other BellSouth win back programs. IDS

requires that the Commission order BellSouth to refund the monies collected from IDS that BellSouth has not earned by its provisioning of sub-parity OSS and UNEs. IDS requests that the Commission order BellSouth to place all future monies paid by IDS subject to refund pending BellSouth's conclusive proof to the Commission that it is providing IDS OSS and UNEs at parity to those provided for its own retail division and customers.

9. IDS also requests that the Commission immediately initiate a show cause proceeding to investigate and properly sanction BellSouth for the anticompetitive activities that have caused such serious harm to IDS and, most especially, to IDS' customers. BellSouth is no longer simply harming baby telephone companies, BellSouth is harassing and hassling and interfering with citizens of the State of Florida in its vicious and desperate effort to hang on to its monopoly in the provision of local telephone service in the State of Florida.

Jurisdiction

10. The Florida Public Service Commission has statutory powers and jurisdiction over, and in regard to, all telecommunications companies operating in the State of Florida, including BellSouth. Section 364.01, Florida Statutes.

11. The Commission has exclusive jurisdiction in all matters set forth in Chapter 364, Florida Statutes, regarding the regulation of telecommunications companies. Section 364.01(2), Florida Statutes. This exclusive jurisdiction has been granted the Florida Public Service Commission to:

(a) Promote competition by encouraging new entrants into telecommunications markets. Section 364.01(4)(d), Florida Statutes.

(b) Ensure that all providers of telecommunications services are treated fairly, by preventing anticompetitive behavior and eliminating unnecessary regulatory restraint. Section 364.01(4)(g), Florida Statutes.

(c) Encourage competition through flexible regulatory treatment among providers of telecommunications services in order to ensure the availability of the widest possible range of consumer choice in the provision of all telecommunications services. Section 364.01(4)(b), Florida Statutes.

(d) Protect the public health, safety, and welfare by ensuring that basic local telecommunications services are available to all consumers in the state at reasonable and affordable prices. Section 364.01(4)(a), Florida Statutes.

(e) Recognize the continuing emergence of a competitive telecommunications environment through the flexible regulatory treatment of competitive telecommunications services, where appropriate, if doing so does not reduce the availability of adequate basic local telecommunications service to all citizens of the state at reasonable and affordable prices, if competitive telecommunications services are not subsidized by monopoly telecommunications services, and if all monopoly services are available to all competitors on a nondiscriminatory basis. Section 364.01(4)(h), Florida Statutes.

12. Sections 251 and 252 of the Telecommunications Act of 1996 contain specific requirements for Incumbent Local Exchange Companies ("ILECs") in the provision of interconnection to competing local providers.

Section 252(c)(2)(C) provides that ILECs have the duty to provide interconnection with the facilities and equipment of any requesting telecommunications carrier, that is at least equal in quality to that provided by the local exchange carrier to itself or to any subsidiary, affiliate, or any other party to which the carrier provides interconnection.

13. IDS and BellSouth are parties to an Interconnection Agreement approved by the Commission. The Commission has jurisdiction to enforce the terms of the Interconnection Agreement pursuant to both Sections 251 and 252 of the Telecommunications Act of 1934, as amended by the Telecommunications Act of 1996, 47 U.S.C. ss. 151 et seq. ("Act")1, Section 364.01, 364.03, and 364.05, Florida Statutes, Rule 25-22.036(5), Florida Administrative Code, and Order No. PSC-97-1265-FOF-TP. The Commission thus has jurisdiction to enforce the rates and charges contained in the Interconnection Agreement between the parties. Part A, Section 11, of the Interconnection Agreement dated January 27, 1999, also provides for Commission resolution of any disputes that arise concerning the interpretation and enforcement of the Interconnection Agreement.

The Facts Leading to This Complaint

14. IDS and BellSouth entered into a one-year Interconnection Agreement on January 27, 1999. The Interconnection Agreement and the rates and charges therein were approved by the Commission. The Interconnection Agreement has been extended twice for six-month periods. It has been

1 Iowa Utilities Board vs. Federal Communications Commission, 120 F.3d 753 (8th Cir. 1997) Part D. of the opinion)

amended twice. The first Amendment, which was executed November 2,1999, requires BellSouth to provide combinations of unbundled network elements for IDS (otherwise known as the "UNE-P Agreement"). A second Amendment was executed March 27, 2000, which incorporated the FCC's decisions in the UNE Remand 319 Order.

15. IDS has unsuccessfully attempted to renegotiate the interconnection agreement that is the subject of a current arbitration proceeding before the Florida Public Service Commission. See *In the Matter of Petition for Arbitration of IDS Telcom, LLC, Pursuant to Section 252(b) of the Communications Act of 1934*, Docket No. 000127.

16. BellSouth is a telecommunications company with more than $26 billion in annual revenues, and operates as an incumbent local exchange carrier ("ILEC") in nine southeastern states. BellSouth is the largest ILEC in Florida, and still controls over 90% of the access lines in its service territory.

17. Recent market share data from the Federal Communications Commission ("FCC") demonstrates that ALECs service only 6.7% of local telephone lines nationally. *Local Telephone Competition* (December 2000). Florida should lead the national telecommunications market in the development of competition based on its demographics. However, Florida struggles behind the national average with ALECs having only 6.1% of the market share in the state. *Competition in Telecommunications Markets in Florida*, FPSC Report at 7 (December 2000).

18. Section 4 of Part A of the Interconnection Agreement between BellSouth and IDS provides as follows:

> 4. Parity
>
> The services and service provisioning that BellSouth provides IDS Long Distance for resale will be at least equal in quality to that provided to BellSouth or any BellSouth subsidiary, affiliate or end user. **In connection with resale, BellSouth will provide IDS Long Distance with pre-ordering, ordering, maintenance and trouble reporting, and daily usage data functionality that will enable IDS Long Distance to provide equivalent levels of customer service to their local exchange customers as BellSouth provides to its own end users. BellSouth shall also provide IDS Long Distance with unbundled network elements, and access to those elements, that is at least equal in quality to that which BellSouth provides BellSouth, or any BellSouth subsidiary, affiliate or other CLEC.** BellSouth will provide number portability to IDS Long Distance and their customers with minimum impairment of functionality, quality, reliability and convenience.
>
> (emphasis supplied)

19. As is clear from the precise language in the Interconnection Agreement, BellSouth is legally obligated to provide IDS OSS and UNEs at parity with the OSS used by BellSouth internally and the UNEs provided to its retail customers. BellSouth has breached the Interconnection Agreement by failing to fulfill these obligations.

20. In late 1998 and early 1999, IDS began providing local exchange services through the resale of BellSouth's service.

21. In November 1999, IDS and BellSouth executed a Network Combinations contract by which IDS would provision local exchange services to its customers by purchasing combinations of unbundled network elements ("UNEs") from BellSouth. IDS is specifically using what is known in the industry

as the Unbundled Network Element Platform ("UNE-P") model. IDS intended to convert its base of resale customers to the UNE-P model going forward.

22. IDS chose to utilize the UNE-P model because it is the only economically-viable model by which to provide alternative local exchange services. The cost of providing local exchange services by the UNE-P model is dramatically less than the cost of providing local exchange services on the resale model. The resale model provides a very slender margin, a "wholesale" discount of 16.839 percent off BellSouth's retail prices, by which an ALEC may make any profit.

23. From November 1999 forward, IDS has experienced extreme difficulties with BellSouth's OSS and Order Processing Systems in the provisioning of these combinations of UNEs. Shortly after executing the Network Combinations contract, IDS attempted to utilize BellSouth's Electronic Data Interface ("EDI") gateway to submit its orders for UNE-Ps. After numerous unsuccessful attempts, BellSouth informed IDS that the problem resided with IDS' failure to properly submit the orders and that IDS needed to send its personnel for EDI training.

24. IDS sent its personnel to a BellSouth training program. After the training, IDS' personnel attempted again to submit orders for UNE-Ps through BellSouth's EDI gateway without success. BellSouth again stated that it was IDS' fault because IDS was not properly submitting the orders. BellSouth suggested more training was required. IDS arranged for BellSouth to send trainers on site to teach IDS how to submit orders for UNE-Ps through

BellSouth's EDI gateway. During the course, which was a repeat of prior training IDS' personnel had received, BellSouth's trainers attempted to submit orders for UNE-Ps through BellSouth's EDI gateway. BellSouth's personnel were unable to successfully submit orders for UNE-Ps through their own EDI gateway. The BellSouth trainers informed IDS that "there were some problems with EDI" and they would get back to IDS later with additional information. BellSouth never gave IDS additional information on how to utilize EDI and no orders were ever successfully submitted through BellSouth's EDI gateway by IDS or by any BellSouth personnel on IDS' behalf.

25. BellSouth later approached IDS regarding the purchase of BellSouth's TAG GUI interface, which is called "RoboTAG". BellSouth sent an individual to demonstrate RoboTAG to IDS' personnel. IDS had been seeking other alternatives and had chosen to utilize another TAG GUI interface called CLECWare, a software system designed by Mantiss. Once IDS had CLECWare installed, BellSouth stated that IDS must have new trunks installed and tested between BellSouth's and IDS' systems. Accordingly, IDS requested the new trunks in mid-February 2000, but BellSouth responded that the new trunks would not be installed and tested prior to May 2000. IDS threatened BellSouth that it would complain to the Florida and Georgia Public Service Commission about this delay. BellSouth revised the installation date to mid-March 2000.

26. After the installation and testing of BellSouth's and IDS' systems, IDS made numerous unsuccessful attempts to submit orders for UNE-Ps. After numerous calls to BellSouth by IDS to determine the problem, finally, on a Friday

in mid-April 2000, BellSouth provided IDS the correct Uniform Service Order Codes ("USOCs"). IDS was finally able to submit its first orders. However, on the following Monday, using the exact same procedure as the Friday before, IDS' orders were rejected by BellSouth's system.

27. After numerous attempts to find out what was going on with BellSouth's system, BellSouth finally informed IDS that IDS' accounts had been placed on a local service freeze. BellSouth stated that in order for IDS to move these accounts from resale to UNE-P, IDS would have to get local freeze releases from each of their customers before BellSouth would lift the freeze. Local service freezes are intended to protect a customer from having their service moved to a different carrier, not to prohibit moving them to a different service with the same carrier. After IDS expressed its outrage at this tactic, BellSouth finally relented and agreed to lift the local service freeze and permit IDS' to process its orders.

28. Prior to IDS moving its resale customers to UNE-P, BellSouth announced at a CLEC Forum in early May 2000 that it had a new bulk-ordering option through LENS that would permit large numbers of orders to be processed at once. IDS checked the BellSouth Website and confirmed that the bulk ordering option was presented there as ready for CLECs to use.

29. IDS was completely unaware that BellSouth was offering this system **WITHOUT** testing it for functionality. When IDS converted its resale base, over 1,400 customers, representing 5,500 lines, had their services interrupted. It took BellSouth over two weeks to fully correct this problem.

Incredibly, during this service outage, BellSouth's retail division told IDS' customers that IDS was to blame for the service outage, and switching back to BellSouth would mean an immediate restoration of their services.

30. After only three days, BellSouth took down the LENS bulk ordering service. It took BellSouth over two weeks to get all of IDS' customers' service restored. Half of IDS' customers went back to BellSouth as a result of this fiasco. BellSouth's response to this catastrophic loss for IDS was a letter of apology admitting that these problems were caused by BellSouth from Glen Estell, a Vice President at BellSouth, and a credit on IDS' bill for $31,000. (See Exhibit A, Letter of Glen Estell, dated May 17, 2000, attached hereto.)

31. IDS has continued to experience serious problems with BellSouth's OSS and order processing. In September 2000, BellSouth upgraded its OSS software, and IDS began having customers go out of service. IDS has learned that many times its customers lose service because BellSouth's service representatives fail to put a code on both the disconnect ("D") order and the associated new ("N") order.

32. In October 2000, IDS informed BellSouth that their OSS systems were tearing down voice mailboxes of IDS' customers during the conversion process. IDS told BellSouth specifically what systems were involved and how to fix the problem. BellSouth agreed that it was a problem and scheduled a release to fix it in November 2000. However, BellSouth's fix failed to include one of the front-end systems IDS had identified as contributing to the problem, and as a result the problem was not fully corrected until early April 2001.

33. Numerous other problems with BellSouth's OSS occurred in November and December 2000 when, although hundreds of IDS' orders were being submitted correctly, very few Firm Order Confirmations ("FOCs") and completed orders were trickling out. At one point, only 40% of IDS' orders were being completed on a timely basis.

34. BellSouth's LENS, the electronic interface for the transfer and management of end user accounts, has continued to fail on a widespread basis. BellSouth's internal OSS and personnel often terminate service to new IDS customers without actually initiating IDS' service to them. When these customers inquire with BellSouth regarding the termination of their service, the BellSouth customer service representatives respond by stating that the problem was caused by IDS and, if they choose to return to BellSouth's service, their service can be reconnected immediately and no further interruptions will occur. In almost every instance in which BellSouth uses this strategy, the customer returns to BellSouth's service. Unbelievably, BellSouth often charges IDS for one month's customer usage and a disconnection fee for these types of situations.

35. Throughout this period, BellSouth has failed to provide IDS OSS at parity with that it provides to its own retail division. IDS has received thousands of complaints from business customers regarding the fact that, when an order for conversion of their service to IDS was submitted to BellSouth, their phone service was either partially or completely disconnected.

36. BellSouth's OSS failures in UNE-P conversions are so pervasive that this must be considered a major win back strategy for BellSouth. From

November 2000 through February 2001, a mere four months, BellSouth won back over 3,100 IDS customers. At least 2,000 of these customers were won back as a direct result of BellSouth's OSS failures in the conversion process.

37. Not all services provided by IDS are capable of being provided in the UNE-P arrangement. In cases where a customer receives resale services, for example Watch Alert and ADSL services, as well as other services that can be provided through UNE-P, it is necessary to have BellSouth provide the "hunt grouping" function between these different classes of services. In approximately early April 2001, BellSouth informed IDS that it was changing its policy regarding the provision of the "hunt grouping" function between different classes of service. If BellSouth does not provide the "hunt grouping" function among different classes of service, IDS will not be able to service a significant number of its customers with ADSL. Additionally, many customers who want ADSL or who already have this type of data service, but utilize IDS for voice on UNE-P, are now being forced to return to BellSouth. BellSouth made this policy change with no advance notice to IDS, or apparently to other ALECs, and has refused to discuss the reasons behind this policy decision or to reconsider it in light of the significant adverse impact it has had on IDS.

38. The customers of IDS' business customers, innocent parties to the competition battle waged by BellSouth against IDS and other ALECs, have suffered in a variety of ways. In one case, an IDS business customer, a church, had to endure losing its voice mail for several days when it dared to agree to convert its local exchange service to a competitor of BellSouth, IDS. The

church's office lost messages left on voicemail from parishioners. Such messages can involve life and death matters. No satisfactory explanation was ever provided to IDS or the church for this loss of service. (See Exhibit B, Affidavit of Ms. Leonora Suglio, attached hereto.)

39. Another example of the thousands of customers affected by BellSouth's anticompetitive actions is that of an IDS business customer that is a major auto parts dealer with many locations. The very first location to be converted to IDS lost its phone service for several hours when IDS first submitted the order for UNEs to BellSouth. This disconnection of service, which was attributed to IDS, occurred prior to IDS even receiving a FOC. The customer's ability to do its business was so negatively affected by BellSouth's either intentionally anticompetitive behavior or gross negligence that IDS almost lost the account altogether. As such, the customer is unwilling to convert any more locations to IDS' services.

40. Another customer, Mr. Mason Tolman, the Executive Director of the Key West Innkeepers Association, found that when he authorized the conversion of his telephone services to IDS, he lost his voicemail on the day of the conversion and three full days afterward as a result of BellSouth's OSS errors. Mr. Tolman's business is responsible for the promotions for various Inns and Bed and Breakfast establishments. The business revenue he lost because of the loss of voicemail messages is impossible to calculate. (See Exhibit C, Affidavit of Mr. Mason Tolman, attached hereto.)

41. Another customer, Mr. Alvaro Lozano, President of Interstate Beverage Corporation, received approximately seven phone calls from a telemarketer claiming to represent BellSouth, beginning on or about April 3, 2001. This telemarketer stated to Mr. Lozano that he should switch back to BellSouth because IDS "was going out of business" and BellSouth could now offer his business savings that matched or beat IDS' rates. This telemarketer has harassed Mr. Lozano by calling him day after day with misrepresentations about IDS. (See Exhibit D, Affidavit of Mr. Alvaro Lozano, attached hereto.)

42. On April 5, 2001, an IDS customer, Ms. Laura Tirse, General Manager of M & L Interiors in Hialeah, Florida, received a phone call from an individual stating she represented BellSouth. The individual stated to Ms. Tirse: "IDS Telcom is going into bankruptcy and you need to choose a new carrier in order to avoid any disruption of telephone service." Ms. Tirse's office received at least two other similar phone calls from individuals representing BellSouth. (See Exhibit E, Affidavit of Ms. Laura Tirse, attached hereto.)

43. In May 2000, Ms. Suki York decided to convert her telephone service to IDS. On June 6, 2000, BellSouth made the conversion. Ms. York, who is the Marketing Director for Southpoint Divers, lost her voicemail on that date and for eight days afterward. The amount of business revenue associated with that loss is impossible to calculate. Ms. York received at least six phone calls from BellSouth beginning in late February 2001, attempting to persuade her to return to BellSouth by offering her a 20% discount if she agreed to sign a 36-month agreement. The BellSouth representative stated to Ms. York that, with

IDS, she did not receive "real operator services" and that, with BellSouth, she would receive "real and direct" service from BellSouth. (See Exhibit F, Affidavit of Ms. Suki York, attached hereto.)

44. Another IDS customer, Ms. Vanessa McCaffrey, the Vice President of Vacation Key West, attempted to relocate her business in November 2000. Ms. McCaffrey's business lost dial tone during the conversion from November 16, 2000, through November 20, 2000, as a direct result of BellSouth's OSS failures. The tremendous upset this caused Ms. McCaffrey included rumors that she had gone out of business because she could not be reached at her business office. The revenue loss associated with this outage was approximately $5,000, but the damages to this business' reputation and the tremendous hassle and stress caused Ms. McCaffrey is impossible to quantify. (See Exhibit G, Affidavit of Ms. Vanessa McCaffrey, attached hereto.)

45. Mr. Gregg McGrady, the owner of Key West Information Center, a tourist information business that relies heavily on telehone service and features to obtain and serve its clients, authorized the conversion of its telephone services to IDS in May 2000. On June 6, 2000, when BellSouth converted the customer, Mr. McGrady's voicemail was disconnected. Mr. McGrady cannot estimate what revenue was lost through this BellSouth OSS failure. Mr. McGrady received a phone call from BellSouth in February 2001, asking "what would it take to persuade me to switch my services back to them." The BellSouth representative also offered Mr. McGrady a 20% discount off his business' current line charges and one month of free service for all of the business' lines (26 business lines

excluding DSL lines) to induce him to return to BellSouth. (See Exhibit H, Affidavit of Mr. Gregg McGrady, attached hereto).

46. Ms. Jennifer Cleaver, General Manager of The Welcome Center of the Florida Keys, Inc., and The Key West Cuban Club, Inc., authorized the conversion of their telephone services to IDS on November 5, 2000. During the conversion, BellSouth's OSS caused the business' voicemail to be deactivated. Within two to three days of her business' conversion to IDS, Ms. Cleaver received a phone call from a BellSouth representative attempting to persuade her to switch back to BellSouth. The representative offered her "the same program if not a better discount than IDS could give her" if she switched back to BellSouth. In March 2001, Ms. Cleaver received two more phone calls from BellSouth offering her a 20% discount to return to BellSouth. (See Exhibit I, Affidavit of Ms. Jennifer Cleaver, attached hereto.)

47. On July 21, 2000, Mr. Michael Larson, owner of Century 21 All Keys, Inc., authorized the conversion of his telephone services for four separate business locations to IDS. On August 30, 2000, BellSouth converted Mr. Larson's business lines to IDS. Mr. Larson realized on that date that his voicemail at all of his business locations was inoperable. The business revenue associated with this disruption of service to his very busy real estate business is impossible to quantify. (See Exhibit J, Affidavit of Mr. Michael Larson, attached hereto.)

48. Eagle Steel, Inc., has been a satisfied IDS long distance customer since November 1998 and a local services customer since June 2000. On April

6, 2001, Ms. Ennette Auter, Eagle Steel, Inc.'s bookkeeper, received a phone call from a Bellsouth representative who asked what company provided Ms. Auter's phone services. When Ms. Auter replied that IDS was her provider, the BellSouth representative stated: "That is good news for us (BellSouth) and bad news for you (Eagle Steel, Inc.) because IDS is going into bankruptcy and you (Eagle Steel, Inc.) need to choose a new telephone carrier. BellSouth is offering $23.64 per line." (See Exhibit K, Affidavit of Ms. Ennette Auter, attached hereto.)

49. On October 2, 2000, Ms. Becky Pleus, manager of The Angelina Guest House, authorized the conversion of her business' telephone services to IDS. On October 12, 2000, BellSouth converted her services to IDS and she realized later that her voicemail was no longer operating. (See Exhibit L, Affidavit of Ms. Becky Pleus, attached hereto.)

50. Mr. Joseph A. Neves, owner of Seven Services, Inc., has been an IDS long distance customer since March 2000 and an IDS local services customer since October 2000. On April 4, 2001, Mr. Neves received a phone call from a BellSouth representative who attempted to persuade him to return to BellSouth. The BellSouth representative stated: "Did you know that IDS is going out of business?" (See Exhibit M, Affidavit of Mr. Joseph A. Neves, attached hereto.)

51. Mr. Robert J. Eury, owner of Curry House in Key West, Florida, converted his local telephone services to IDS in June 2000. On or about March 2, 2001, Mr. Eury received a telephone call from a BellSouth representative who stated Mr. Eury might experience problems or delays getting service because he

had his service with IDS. The BellSouth representative stated that because BellSouth owned the lines, Mr. Eury would not have to wait for services to be provided if he switched back to BellSouth. (See Exhibit N, Affidavit of Robert J. Eury, attached hereto.)

52. When IDS submits orders to complete moves, adds or changes, BellSouth's wholesale division rarely completes these orders prior to a five-day period, whereas similar BellSouth retail customers can get many of these changes completed in hours.

53. BellSouth does not process IDS' orders to convert customers in a timely fashion. BellSouth disconnects service to customers that wish to convert to IDS for hours, days or weeks prior to reestablishing the customers' service pursuant to IDS' "conversion as is" orders. BellSouth does not permit IDS to convert customers to IDS' service without delays and errors and problems resulting in tremendous hardships to customers that wish to transfer to IDS. This is not OSS at parity with that utilized by BellSouth's retail operations. The attached Affidavits of Keith Kramer and William Gulas, both Vice Presidents of IDS, support the above allegations regarding IDS' history of problems with BellSouth and its need for emergency relief. (See Exhibits O and P, Affidavits of Keith Kramer and William P. Gulas, attached hereto.)

54. On January 15, 2001, BellSouth filed a tariff promotion, referred to as the "Full Circle Program," that was approved by the Florida Public Service Commission. (See Exhibit Q, BellSouth Full Circle Program Tariff, attached hereto.) The provisions of this tariff state:

> Former BellSouth business customers who have changed to another local service provider in the previous two years, beginning January 1, 2001, with BST revenue of $70 to $12,500 and return to BellSouth are eligible. Customers signing an election agreement of 18, 24 or 36 months will receive a 10%, 15%, or 20% discount, respectively.

55. The Full Circle Program is offered only to small to medium-sized business customers who were originally BellSouth customers, but left BellSouth and became ALEC customers. Moreover, the offer is based on a term contract with discounts that match IDS' discounts and requires the customer to sign up to a three-year term. Additionally, the Full Circle Program targets IDS' primary market. Since the passage of the Act, BellSouth has established a pattern of destroying competition by offering attractive pricing programs and "win back' provisions to high value customers that it has lost. The Full Circle Program's anticompetitive impact is compounded by BellSouth's long term "Contract Service Agreements" ("CSA"), that further decrease customers' interest in dealing with competitors.

Count One

BellSouth Has Breached the Interconnection Agreement by Failing to Provide IDS OSS and UNEs at Parity

56. Complainants incorporate by reference, as if fully set forth herein, the allegations contained in paragraphs 1 through 55.

57. As the above allegations demonstrate, BellSouth has breached the requirement in the Interconnection Agreement to provide OSS and UNEs to IDS

at parity. This lack of parity in BellSouth's provision of OSS to IDS has crippled IDS' performance and harmed IDS' reputation with long-standing customers. IDS' has suffered tremendous financial harm as a result of BellSouth's failures in the provision of OSS, as delineated in the Affidavit of Keith Kramer, Senior Vice President of IDS, attached hereto as Exhibit O.

58. BellSouth has breached the Interconnection Agreement and the Telecommunications Act of 1996 by failing to provide UNEs to IDS at parity with its provision of UNEs to its own retail customers.

59. BellSouth has continued to stifle any possibility of competition in the local exchange services market by aggressively resisting the provision of UNEs to IDS.

Count Three

BellSouth has Perpetrated an Anticompetitive Campaign of Win Back Tactics Against IDS, including the Full Circle Program and Fraudulent Telemarketing Schemes

60. Complainants incorporate by reference, as if fully set forth herein, the allegations contained in paragraphs 1 through 59.

61. Section 364.01(4), Florida Statutes, states that the Florida Public Service Commission is to exercise its exclusive jurisdiction to:

> Ensure that all providers of telecommunications services are treated fairly, by preventing anti-competitive behavior and eliminating unnecessary regulatory restraint.

62. Beyond setting out the global statutory framework to bring about competition throughout the telecommunications industry and, most specifically, the local exchange services market, The Telecommunications Act of 1996, in Section 253(b), provides that:

> Nothing in this section shall affect the ability of a State to impose, on a competitively neutral basis and consistent with section 254, requirements necessary to preserve and advance universal service, protect the public safety and welfare, ensure the continued quality of telecommunications services, and safeguard the rights of consumers.

63. It is clear from the allegations in this Complaint and in the attached sworn Affidavits that BellSouth is guilty of blatantly anticompetitive behavior against IDS to the detriment of IDS and IDS' customers. It is also clear that Chapter 364, Florida Statutes, and the Telecommunications Act of 1996 give the Commission the power to act to effectively address this anticompetitive behavior.

64. BellSouth has perpetrated a campaign of anticompetitive activities that have resulted in serious harm to IDS. These anticompetitive activities include, among others, win back promotions capitalizing on the opportunities created by BellSouth's failures to provide OSS at parity and telemarketing campaigns that misrepresent the facts regarding where the fault lies for customer service problems, as well as direct falsehoods to customers regarding IDS.

65. BellSouth has actively sought to destroy IDS' reputation as a successful, reliable telecommunications provider to customers that IDS has served for many years as a long distance company. BellSouth has accomplished these goals by unreasonable delays in the provision of OSS, UNEs, and other

services, by outright unlawful misrepresentations, by the use of win-back tactics, by abuse of IDS' customers and, ultimately, by abuse of the citizens of Florida who obtain goods and services from IDS' business customers.

66. BellSouth has violated Section 364.01(4)(g), Florida Statutes, and the Telecommunications Act of 1996 by utilizing various strategic tactics and practices, including its "Full Circle Program," to win back customers prior to even completing their conversion to IDS.

67. Section 364.01(4)(h), Florida Statutes, provides for:

> . . . the flexible regulatory treatment of competitive telecommunications services, where appropriate, if doing so does not reduce the availability of adequate basic local telecommunications service to all citizens of the state at reasonable and affordable prices, ***if competitive telecommunications services are not subsidized by monopoly telecommunications services***, and if all monopoly services are available to all competitors on a nondiscriminatory basis.
>
> (emphasis added)

68. BellSouth maintains that the resale discount of 16.839% represents avoided cost on business lines. Considering the associated high marketing acquisition costs, it is economically unfeasible for BellSouth to offer ALEC customers up to a 20 percent discount to win them back.

69. BellSouth's maximum discount of 20 percent offered in the Full Circle Program appears to permit BellSouth to price its service below cost and thus subsidize its ***"competitive telecommunications service"*** by its ***"monopoly telecommunications services"*** in violation of Section 364.01(4)(h), Florida Statutes. This practice is not only discriminatory to IDS and other ALECs, but also to BellSouth's loyal customers.

70. The Full Circle Program and other similar win back programs discriminate against loyal small to midsize business customers of BellSouth. While BellSouth is offering discounts to the ALEC business customers, it is raising the rates of its loyal customers. Since the initiation of the Full Circle Program, BellSouth has raised the rates for its own business customers by approximately 15 percent.

71. BellSouth has violated Section 364.01(4)(g), Florida Statutes, and the Telecommunications Act of 1996 by waging telemarketing campaigns in which its representatives fraudulently misrepresent to Florida customers that errors made by BellSouth are the fault of IDS, that IDS is "going out of business" or "ready to declare bankruptcy", or otherwise will be unable to provide good service. These allegations are supported by the sworn affidavits of IDS' customers attached hereto.

72. The Full Circle Program and other similar win back programs are barriers to local competition because their implementation results in discriminatory access to OSS. ALECs like IDS, who use BellSouth's OSS, wait much longer than BellSouth's retail division to gain access to BellSouth's network so they can provide local telephone services. Thus, the ALEC customers are subjected to confusion, outages and errors. When such poor performance results in service interruption, BellSouth misleads the ALEC customer into believing the ALEC caused the resulting service problems, and that the problem was caused when the ALEC submitted the order to convert service. This is clearly designed to mislead the ALEC customer into believing it was the ALEC's

fault when, in fact, BellSouth caused the service interruption. This combined with the "Full Circle Program" leaves most customers with no choice but to return to BellSouth in order to have service restored.

73. The misleading marketing campaigns and the OSS parity problems associated with the Full Circle Program and other similar win back programs are designed to destroy the reputation of ALECs. In light of the current dilemmas facing ALECs as a whole in today's telecommunications market, an ALEC that wrongfully acquires a poor reputation for service may never fully recover. *Ameritech-SBC Merger Order,* paragraph 237 (harms to an ALEC's reputation inflicted by ILECs limit the ability of ALECs to enter the local telephone services market).2

74. BellSouth's Full Circle Program's misleading marketing campaign instills unjustified fear in the ALECs' customers. When an ALEC customer suffers from an OSS failure and BellSouth knowingly misleads the customer as to who is at fault, the customer becomes so upset that it will never leave BellSouth again for any reason. The harm created by BellSouth in this instance is far wider than simply harm to IDS—it destroys any chance for the development of competition in the local exchange services market.

75. BellSouth has utilized the Full Circle Program to capitalize on the failures in the OSS it provides IDS. BellSouth targets the small to medium-sized businesses, the market niche IDS is seeking to serve. BellSouth's telemarketing representatives and customer service representatives zero in on IDS' customers

immediately after the order for the conversion of their service is somehow stymied or mishandled and blames the problems on IDS in order to win the customers back to BellSouth. BellSouth's actions are anticompetitive and flagrantly violative of the Telecommunications Act of 1996.

Count Three

BellSouth Has Permitted the Sharing of IDS' Customer Proprietary Network Information Between its Retail and Wholesale Divisions in Violation of the Telecommunications Act of 1996

76. Complainants incorporate by reference, as if fully set forth herein, the allegations contained in paragraphs 1-75.

77. BellSouth has violated the Telecommunications Act of 1996 by providing the names of IDS' customers obtained from orders submitted to BellSouth's wholesale division to BellSouth's retail division and permitting the retail division to contact these customers prior to the wholesale division's completion of their conversion to IDS' services.

78. When an ALEC places an order with BellSouth to switch a customer, the customer automatically receives correspondence from BellSouth seeking to have the customer "return to BellSouth". It is impossible for BellSouth to act so expeditiously unless there is internal sharing of Customer Proprietary Network Information ("CPNI") between its retail and wholesale divisions to win back the ALEC customer.

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2 *In Re Applications of Ameritech Corp. and SBC Communications, Inc. for Consent to Transfer Control of Corporation Holdings, Commission Licenses and Lines*, Memorandum Opinion and Order, CC Docket No. 98-141, FCC No. 99-279, (Rel. October 8, 1999) ("Ameritech-SBC Merger Order").

79. It is abundantly clear that there will be no competition in the local exchange services market as long as BellSouth's wholesale and retail operations are intimately connected as they are today. BellSouth's retail division has targeted potential IDS customers for telemarketing calls and for aggressive marketing pitches even prior to BellSouth's wholesale division concluding the actual transfer of such customers to IDS as their provider. This cannot happen without some sort of transfer of information between these divisions or some other inappropriate access being provided. The simple fact is that BellSouth is one company and its wholesale division only provides services to ALECs and CLECs because a gun is being held to its corporate head. BellSouth's retail division is desperately and aggressively fighting for its corporate benefit by keeping and getting customers at all costs. No ALEC or CLEC can have any expectation of success in this type of situation. The track record that exists as of today, of no viable competition in the local exchange services market five years after the passage of the Telecommunications Act of 1996, clearly demonstrates this.

Count Four

The Commission Should Immediately Initiate a Show Cause Proceeding to Investigate and Sanction BellSouth for its Anticompetitive Activities that Have Harmed Citizens of the State of Florida

80. Complainants incorporate by reference, as if fully set forth herein, the allegations contained in paragraphs 1-79.

81. Section 364.01(4)(a), Florida Statutes, states that the Florida Public Service Commission shall exercise its exclusive jurisdiction to:

> Protect the public health, safety, and welfare by ensuring that basic local telecommunications services are available to all consumers in the state at reasonable and affordable prices.

82. As the allegations of this Complaint have shown, and as the customer affidavits attest, the public health, safety, and welfare is in danger as a result of BellSouth's anticompetitive actions against IDS. IDS' customers have suffered the disconnection of their telecommunications services, including loss of dial tone and loss of voicemail services. Citizens of the State of Florida have been harassed on a frequent, continual basis over their choice of local exchange telecommunications service provider. Without dial tone, customers have no access to "911" and other basic telecommunications necessities. Customers have had misrepresentations made to them on a consistent basis regarding the source of their service problems and the reliability of telecommunications companies that compete with BellSouth.

83. BellSouth's actions have gone beyond simply outrageous anticompetitive tactics harming incipient competitors in the telecommunications industry. BellSouth's actions have risen to a new level of endangering the public health, safety and welfare. This has happened because the third parties that are daily affected by BellSouth's intentional anticompetitive activities and gross negligence are citizens of the State of Florida. These citizens are the owners of businesses. These citizens are the customers of businesses served by IDS. These citizens have taken the word of the Florida Public Service Commission that competition in the provision of local exchange telecommunications services

is legally mandated and is developing in an appropriate fashion. Relying on your representations that they have viable competitive alternatives for telecommunications services, these citizens have attempted to purchase local exchange telecommunications services from competitors of BellSouth. These citizens have dared to place the financial health of their businesses at risk. In return for their reliance on these representations about competition in the local exchange services market, these business customers have suffered financial harm and difficulty in the operation of their businesses. The ultimate customers of IDS' business customers have suffered various types of harm, including endangerment, as a result of BellSouth's flagrant tactics to stifle the development of any competition in the local exchange services market.

Request for Permanent Relief

84. IDS requests that the Florida Public Service Commission:

a) Hold an expedited hearing due to the emergency nature of this situation and the severe financial harm being incurred by IDS.

b) Determine that BellSouth has breached the Interconnection Agreement and the Telecommunications Act of 1996 by failing to provide OSS at parity with that provided to its own retail division, by failing to provide UNEs at parity with its provision of UNEs to its own customers, and by waging an anticompetitive war against IDS and its customers through various win back tactics, including the Full Circle Program.

c) Order the suspension of the Full Circle Program tariff and place a moratorium on all win back activities by BellSouth for twelve months after BellSouth proves conclusively to the Florida Public Service Commission that it is offering OSS and UNEs at parity.

d) Place all monies paid by IDS' to BellSouth subject to refund until such time as BellSouth proves conclusively to the Florida Public Service Commission that it is offering OSS and UNEs at parity with the OSS and UNEs that it provides its retail division.

e) Determine the actual cost of BellSouth's provision of sub-parity services to IDS over the past two years and order BellSouth to refund IDS monies in excess of that cost.

f) Initiate a show cause proceeding against BellSouth to investigate and sanction its anticompetitive activities that have harmed IDS and IDS' customers, as well as other ALECs and their customers.

g) Grant such other relief as the Commission deems appropriate.

Request for Emergency Relief

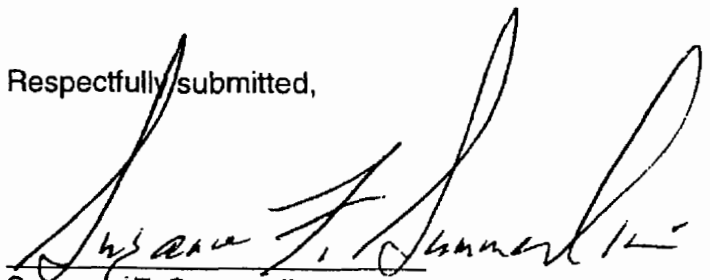
85. Based on the sworn affidavits attached to this Complaint demonstrating the irreparable harm being incurred by IDS and IDS' customers as a result of BellSouth's anticompetitive activities in violation of Chapter 364.01(4)(g), Florida Statutes, and the Telecommunications Act of 1996, as well as BellSouth's breach of the Interconnection Agreement, IDS requests the Florida Public Service Commission to take emergency action within thirty days of the filing of this Complaint. IDS requests the Commission to:

a) Order the suspension of the Full Circle Program tariff and place a moratorium on any and all win back activities of BellSouth pending the conclusion of this proceeding.

b) Order all monies IDS pays in the future to BellSouth subject to refund pending the conclusion of this proceeding.

c) Grant such other relief as the Commission deems appropriate on an emergency basis.

Respectfully submitted,



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Attorney for IDS Long Distance, Inc.
n/k/a IDS Telcom, LLC

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing COMPLAINT AND REQUEST FOR EMERGENCY RELIEF was furnished by U.S. Mail, Certified Return Receipt Requested, this 11th day of May, 2001, to Nancy White, Esquire, General Counsel, BellSouth Telecommunications, Inc., 150 South Monroe Street, Suite 400, Tallahassee, Florida 32301.

Suzanne F. Summerlin

CPR RULES FOR NON-ADMINISTERED ARBITRATION

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CPR INSTITUTE FOR DISPUTE RESOLUTION RULES FOR NON-ADMINISTERED ARBITRATION

(Revised and Effective September 15, 2000)

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SUPRA

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A. GENERAL AND INTRODUCTORY RULES

Rule 1: Scope Of Application

1.1 Where the parties to a contract have provided for arbitration under the CPR Institute for Dispute Resolution ("CPR") Rules for Non-Administered Arbitration (the "Rules"), or have provided for CPR arbitration without further specification, they shall be deemed to have made these Rules a part of their arbitration agreement, except to the extent that they have agreed in writing, or on the record during the course of the arbitral proceeding, to modify these Rules. Unless the parties otherwise agree, these Rules, and any amendment thereof adopted by CPR, shall apply in the form in effect at the time the arbitration is commenced.

1.2 These Rules shall govern the arbitration except that where any of these Rules is in conflict with a mandatory provision of applicable arbitration law, that provision of law shall prevail.

Rule 2: Notices

2.1 Notices or other communications required under these Rules shall be in writing and delivered to the address specified in writing by the recipient or, if no address has been specified, to the last known business or residence address of the recipient. Notices and communications may be given by registered mail, courier, telex, facsimile transmission, or any other means of telecommunication that provides a record thereof. Notices and communications shall be deemed to be effective as of the date of receipt. Proof of transmission shall be deemed *prima facie* proof of receipt of any notice or communication given under these Rules.

2.2 Time periods specified by these Rules or established by the Arbitral Tribunal (the "Tribunal") shall start to run on the day following the day when a notice or communication is received, unless the Tribunal shall specifically provide otherwise. If the last day of such period is an official holiday or a non-business day at the place where the notice or communication is received, the period is extended until the first business day which follows. Official holidays and non-business days occurring during the running of the period of time are included in calculating the period.

Rule 3: Commencement Of Arbitration

3.1 The party commencing arbitration (the "Claimant") shall address to the other party (the "Respondent") a notice of arbitration.

3.2 The arbitration shall be deemed commenced as to any Respondent on the date on which the notice of arbitration is received by the Respondent.

3.3 The notice of arbitration shall include in the text or in attachments thereto:

a. The full names, descriptions and addresses of the parties;

b. A demand that the dispute be referred to arbitration pursuant to the Rules;

c. The text of the arbitration clause or the separate arbitration agreement that is involved;

d. A statement of the general nature of the Claimant's claim;

e. The relief or remedy sought; and

f. The name and address of the arbitrator appointed by the Claimant, unless the parties have agreed that neither shall appoint an arbitrator or that the party-appointed arbitrators shall be appointed as provided in Rule 5.4.

3.4 Within 20 days after receipt of the notice of arbitration, the Respondent shall deliver to the Claimant a notice of defense. Failure to deliver a notice of defense shall not delay the arbitration; in the event of such failure, all claims set forth in the demand shall be deemed denied. Failure to deliver a notice of defense shall not excuse the Respondent from notifying the Claimant in writing, within 20 days after receipt of the notice of arbitration, of the arbitrator appointed by the Respondent, unless the parties have agreed that neither shall appoint an arbitrator or that the party-appointed arbitrators shall be appointed as provided in Rule 5.4.

3.5 The notice of defense shall include:

a. Any comment on items (a), (b), and (c) of the notice of arbitration that the Respondent may deem appropriate;

b. A statement of the general nature of the Respondent's defense; and

c. The name and address of the arbitrator appointed by the Respondent, unless the parties have agreed that neither shall appoint an arbitrator or that the party-appointed arbitrators shall be appointed as provided in Rule 5.4.

3.6 The Respondent may include in its notice of defense any counterclaim within the scope of the arbitration clause. If it does so, the counterclaim in the notice of defense shall include items (a), (b), (c), (d) and (e) of Rule 3.3.

3.7 If a counterclaim is asserted, within 20 days after receipt of the notice of defense, the Claimant shall deliver to the Respondent a reply to counterclaim which shall have the same elements as provided in Rule 3.5 for the notice of defense. Failure to deliver a reply to counterclaim shall not delay the arbitration; in the event of such failure, all counterclaims set forth in the notice of defense shall be deemed denied.

3.8 Claims or counterclaims within the scope of the arbitration clause may be freely added or amended prior to the establishment of the Tribunal and thereafter with the consent of the Tribunal. Notices of defense or replies to amended claims or counterclaims shall be delivered within 20 days after the addition or amendment.

3.9 If a dispute is submitted to arbitration pursuant to a submission agreement, this Rule 3 shall apply to the extent that it is not inconsistent with the submission agreement.

Rule 4: Representation

4.1 The parties may be represented or assisted by persons of their choice.

4.2 Each party shall communicate the name, address and function of such persons in writing to the other party and to the Tribunal.

B. RULES WITH RESPECT TO THE TRIBUNAL

Rule 5: Selection Of Arbitrators By The Parties

5.1 Unless the parties have agreed in writing on a Tribunal consisting of a sole arbitrator or of three arbitrators not appointed by parties or appointed as provided in Rule 5.4, the Tribunal shall consist of two arbitrators, one appointed by each of the parties as provided in Rules 3.3 and 3.5, and a third arbitrator who shall chair the Tribunal, selected as provided in Rule 5.2. Unless otherwise agreed, any arbitrator not appointed by a party shall be a member of the CPR Panels of Distinguished Neutrals ("CPR Panels").

5.2 Within 30 days of the appointment of the second arbitrator, the two party-appointed arbitrators shall appoint a third arbitrator, who shall chair the Tribunal. In the event the party-appointed arbitrators are unable to agree on the third arbitrator, the third arbitrator shall be selected as provided in Rule 6.

5.3 If the parties have agreed on a Tribunal consisting of a sole arbitrator or of three arbitrators none of whom shall be appointed by either party, the parties shall attempt jointly to select such arbitrator(s) within 30 days after the notice of defense provided for in Rule 3.4 is due. The parties may extend their selection process until one or both of them have concluded that a deadlock has been reached. In this event, the arbitrator(s) shall be selected as provided in Rule 6.

5.4 If the parties have agreed on a Tribunal consisting of three arbitrators, two of whom are to be designated by the parties without knowing which party designated each of them, as provided in this Rule 5.4, either party, following the expiration of the time period for the notice of defense, may request CPR in writing, with a copy to the other party, to conduct a "screened" selection of party-designated arbitrators as follows:

a. CPR will provide each party with a copy of its CPR Panels list. Within 15 days thereafter, each party shall designate three candidates, in order of preference, from the CPR Panels as candidates for its party-designated arbitrator, and so notify CPR and the other party in writing.

b. CPR will ask the first candidate so designated by each party to confirm his or her availability to serve as arbitrator and to disclose in writing any circumstances that might give rise to justifiable doubt regarding the candidate's independence or impartiality, as provided in Rule 7. CPR will circulate to the parties each candidate's completed disclosure form. A party may object to the appointment of any candidate on independent and impartial grounds by written and reasoned notice to CPR, with copy to the other party, within 10 days after receipt of that candidate's disclosure form. CPR shall decide the objection after providing the non-objecting party with an opportunity to comment on the objection. If there is no objection to the candidate, or if the objection is overruled by CPR, CPR shall appoint the candidate as arbitrator, and any subsequent challenges of that

arbitrator, based on circumstances subsequently learned, shall be made and decided in accordance with the procedures set forth in Rules 7.6 - 7.8.

c. If the first candidate designated by a party is unavailable, or if his or her independence or impartiality is successfully challenged, CPR will repeat the process provided in Rule 5.4(b) as to the subsequent candidates designated by that party, in order of the party's indicated preference. A party may designate additional candidates if the three candidates designated by that party are unavailable or do not meet the requirements of Rule 7.

d. Neither CPR nor the parties shall advise or otherwise provide any information or indication to any arbitrator candidate or arbitrator as to which party selected either of the party-designated arbitrators. No party or anyone acting on its behalf shall have any *ex parte* communications relating to the case with any arbitrator or arbitrator candidate designated or appointed pursuant to this Rule 5.4.

e. The chair of the Tribunal will be appointed by CPR in accordance with the procedure set forth in Rule 6.4, which shall proceed concurrently with the procedure for appointing the party-designated arbitrators provided in subsections (a) - (d) above.

f. The compensation of all members of the Tribunal appointed pursuant to Rule 5.4 shall be administered by the chair of the Tribunal in accordance with Rule 16.

5.5 Where the arbitration agreement entitles each party to appoint an arbitrator but there is more than one Claimant or Respondent to the dispute, and either the multiple Claimants or the multiple Respondents do not jointly appoint an arbitrator, CPR shall appoint all of the arbitrators as provided in Rule 6.4.

Rule 6: Selection Of Arbitrator(s) By CPR

6.1 Whenever (i) a party has failed to appoint the arbitrator to be appointed by it; (ii) the parties have failed to appoint the arbitrator(s) to be appointed by them acting jointly; (iii) the party-appointed arbitrators have failed to appoint the third arbitrator; (iv) the parties have provided that one or more arbitrators shall be appointed by CPR; or (v) the multi-party nature of the dispute calls for CPR to appoint all members of a three-member Tribunal pursuant to Rule 5.5, the arbitrator(s) required to complete the Tribunal shall be selected as provided in this Rule 6, and either party may request CPR in writing, with copy to the other party, to proceed pursuant to this Rule 6.

6.2 The written request may be made as follows:

a. If a party has failed to appoint the arbitrator to be appointed by it, or the parties have failed to appoint the arbitrator(s) to be appointed by them through agreement, at any time after such failure has occurred.

b. If the party-appointed arbitrators have failed to appoint the third arbitrator, as soon as the procedure contemplated by Rule 5.2 has been completed.

c. If the arbitrator(s) are to be appointed by CPR, as soon as the notice of

defense is due.

6.3 The written request shall include complete copies of the notice of arbitration and the notice of defense or, if the dispute is submitted under a submission agreement, a copy of the agreement supplemented by the notice of arbitration and notice of defense if they are not part of the agreement.

6.4 Except where a party has failed to appoint the arbitrator to be appointed by it, CPR shall proceed as follows:

a. Promptly following receipt by it of the request provided for in Rule 6.3, CPR shall convene the parties in person or by telephone to attempt to select the arbitrator(s) by agreement of the parties.

b. If the procedure provided for in (a) does not result in the selection of the required number of arbitrators, CPR shall submit to the parties a list, from the CPR Panels, of not less than five candidates if one arbitrator remains to be selected, and of not less than seven candidates if two or three arbitrators are to be selected. Such list shall include a brief statement of each candidate's qualifications. Each party shall number the candidates in order of preference, shall note any objection it may have to any candidate, and shall deliver the list so marked to CPR and to the other party. Any party failing without good cause to return the candidate list so marked within 10 days after receipt shall be deemed to have assented to all candidates listed thereon. CPR shall designate as arbitrator(s) the nominee(s) willing to serve for whom the parties collectively have indicated the highest preference and who appear to meet the standards set forth in Rule 7. If a tie should result between two candidates, CPR may designate either candidate. If this procedure for any reason should fail to result in designation of the required number of arbitrators or if a party fails to participate in this procedure, CPR shall appoint a person or persons whom it deems qualified to fill any remaining vacancy.

6.5 Where a party has failed to appoint the arbitrator to be appointed by it, CPR shall appoint a person whom it deems qualified to serve as such arbitrator.

Rule 7: Qualifications, Challenges And Replacement Of Arbitrator(s)

7.1 Each arbitrator shall be independent and impartial.

7.2 By accepting appointment, each arbitrator shall be deemed to be bound by these Rules and any modification agreed to by the parties, and to have represented that he or she has the time available to devote to the expeditious process contemplated by these Rules.

7.3 Each arbitrator shall disclose in writing to the Tribunal and the parties at the time of his or her appointment and promptly upon their arising during the course of the arbitration any circumstances that might give rise to justifiable doubt regarding the arbitrator's independence or impartiality. Such circumstances include bias, interest in the result of the arbitration, and past or present relations with a party or its counsel.

7.4 No party or anyone acting on its behalf shall have any *ex parte* communications concerning any matter of substance relating to the proceeding with any arbitrator or

arbitrator candidate, except that a party may advise a candidate for appointment as its party-appointed arbitrator of the general nature of the case and discuss the candidate's qualifications, availability, and independence and impartiality with respect to the parties, and a party may confer with its party-appointed arbitrator regarding the selection of the chair of the Tribunal. As provided in Rule 5.4(d), no party or anyone acting on its behalf shall have any *ex parte* communications relating to the case with any arbitrator or arbitrator candidate designated or appointed pursuant to Rule 5.4.

7.5 Any arbitrator may be challenged if circumstances exist or arise that give rise to justifiable doubt regarding that arbitrator's independence or impartiality, provided that a party may challenge an arbitrator whom it has appointed only for reasons of which it becomes aware after the appointment has been made.

7.6 A party may challenge an arbitrator only by a notice in writing to CPR, with copy to the Tribunal and the other party, given no later than 15 days after the challenging party (i) receives notification of the appointment of that arbitrator, or (ii) becomes aware of the circumstances specified in Rule 7.5, whichever shall last occur. The notice shall state the reasons for the challenge with specificity. The notice shall not be sent to the Tribunal when the challenged arbitrator is a party-designated arbitrator selected as provided in Rule 5.4; in that event, CPR may provide each member of the Tribunal with an opportunity to comment on the substance of the challenge without disclosing the identity of the challenging party.

7.7 When an arbitrator has been challenged by a party, the other party may agree to the challenge or the arbitrator may voluntarily withdraw. Neither of these actions implies acceptance of the validity of the challenge.

7.8 If neither agreed disqualification nor voluntary withdrawal occurs, the challenge shall be decided by CPR, after providing the non-challenging party and each member of the Tribunal with an opportunity to comment on the challenge.

7.9 In the event of death, resignation or successful challenge of an arbitrator not appointed by a party, a substitute arbitrator shall be selected pursuant to the procedure by which the arbitrator being replaced was selected. In the event of the death, resignation or successful challenge of an arbitrator appointed by a party, that party may appoint a substitute arbitrator; provided, however, that should that party fail to notify the Tribunal (or CPR, if the Tribunal has been constituted as provided in Rule 5.4) and the other party of the substitute appointment within 20 days from the date on which it becomes aware that the opening arose, that party's right of appointment shall lapse and the Tribunal shall promptly request CPR to appoint a substitute arbitrator forthwith.

7.10 In the event that an arbitrator fails to act or is *de jure* or *de facto* prevented from duly performing the functions of an arbitrator, the procedures provided in Rule 7.9 shall apply to the selection of a replacement. If the parties do not agree on whether the arbitrator has failed to act or is prevented from performing the functions of an arbitrator, either party may request CPR to make that determination forthwith.

7.11 If the sole arbitrator or the chair of the Tribunal is replaced, the successor shall decide the extent to which any hearings held previously shall be repeated. If any other arbitrator is replaced, the Tribunal in its discretion may require that some or all prior hearings be repeated.

Rule 8: Challenges To The Jurisdiction Of The Tribunal

8.1 The Tribunal shall have the power to hear and determine challenges to its jurisdiction, including any objections with respect to the existence, scope or validity of the arbitration agreement.

8.2 The Tribunal shall have the power to determine the existence, validity or scope of the contract of which an arbitration clause forms a part. For the purposes of challenges to the jurisdiction of the Tribunal, the arbitration clause shall be considered as separable from any contract of which it forms a part.

8.3 Any challenges to the jurisdiction of the Tribunal, except challenges based on the award itself, shall be made not later than the notice of defense or, with respect to a counterclaim, the reply to the counterclaim; provided, however, that if a claim or counterclaim is later added or amended such a challenge may be made not later than the response to such claim or counterclaim.

C. RULES WITH RESPECT TO THE CONDUCT OF THE ARBITRAL PROCEEDINGS

Rule 9: General Provisions

9.1 Subject to these Rules, the Tribunal may conduct the arbitration in such manner as it shall deem appropriate. The chair shall be responsible for the organization of arbitral conferences and hearings and arrangements with respect to the functioning of the Tribunal.

9.2 The proceedings shall be conducted in an expeditious manner. The Tribunal is empowered to impose time limits it considers reasonable on each phase of the proceeding, including without limitation the time allotted to each party for presentation of its case and for rebuttal. In setting time limits, the Tribunal should bear in mind its obligation to manage the proceeding firmly in order to complete proceedings as economically and expeditiously as possible.

9.3 The Tribunal shall hold an initial pre-hearing conference for the planning and scheduling of the proceeding. Such conference shall be held promptly after the constitution of the Tribunal, unless the Tribunal is of the view that further submissions from the parties are appropriate prior to such conference. The objective of this conference shall be to discuss all elements of the arbitration with a view to planning for its future conduct. Matters to be considered in the initial pre-hearing conference may include, *inter alia*, the following:

> a. Procedural matters (such as setting specific time limits for, and manner of, any required discovery; the desirability of bifurcation or other separation of the issues in the arbitration; the desirability and practicability of consolidating the arbitration with any other proceeding; the scheduling of conferences and hearings; the scheduling of pre-hearing memoranda; the need for and type of record of conferences and hearings, including the need for transcripts; the amount of time allotted to each party for presentation of its case and for rebuttal; the mode, manner and order for presenting proof; the need for expert witnesses and how expert testimony should be presented; and the necessity for any on-site inspection by the Tribunal);

b. The early identification and narrowing of the issues in the arbitration;

c. The possibility of stipulations of fact and admissions by the parties solely for purposes of the arbitration, as well as simplification of document authentication;

d. The possibility of appointment of a neutral expert by the Tribunal; and

e. The possibility of the parties engaging in settlement negotiations, with or without the assistance of a mediator.

After the initial conference, further pre-hearing or other conferences may be held as the Tribunal deems appropriate.

9.4 In order to define the issues to be heard and determined, the Tribunal may, *inter alia,* make pre-hearing orders and instruct the parties to file more detailed statements of claim and of defense, and pre-hearing memoranda.

9.5 Unless the parties have agreed upon the place of arbitration, the Tribunal shall fix the place of arbitration based upon the contentions of the parties and the circumstances of the arbitration. The award shall be deemed made at such place. The Tribunal may schedule meetings and hold hearings wherever it deems appropriate.

Rule 10: Applicable Law(s) And Remedies

10.1 The Tribunal shall apply the substantive law(s) or rules of law designated by the parties as applicable to the dispute. Failing such a designation by the parties, the Tribunal shall apply such law(s) or rules of law as it determines to be appropriate.

10.2 Subject to Rule 10.1, in arbitrations involving the application of contracts, the Tribunal shall decide in accordance with the terms of the contract and shall take into account usages of the trade applicable to the contract.

10.3 The Tribunal may grant any remedy or relief, including but not limited to specific performance of a contract, which is within the scope of the agreement of the parties and permissible under the law(s) or rules of law applicable to the dispute.

10.4 The Tribunal may award such pre-award and post-award interest, simple or compound, as it considers appropriate, taking into consideration the contract and applicable law.

Rule 11: Discovery

The Tribunal may require and facilitate such discovery as it shall determine is appropriate in the circumstances, taking into account the needs of the parties and the desirability of making discovery expeditious and cost-effective. The Tribunal may issue orders to protect the confidentiality of proprietary information, trade secrets and other sensitive information disclosed in discovery.

Rule 12: Evidence And Hearings

12.1 The Tribunal shall determine the manner in which the parties shall present their cases. Unless otherwise determined by the Tribunal or agreed by the parties, the presentation of a party's case shall include the submission of a pre-hearing memorandum including the

following elements:

a. A statement of facts;

b. A statement of each claim being asserted;

c. A statement of the applicable law and authorities upon which the party relies;

d. A statement of the relief requested, including the basis for any damages claimed; and

e. A statement of the nature and manner of presentation of the evidence, including the name, capacity and subject of testimony of any witnesses to be called and an estimate of the amount of time required for each witness's direct testimony.

12.2 If either party so requests or the Tribunal so directs, a hearing shall be held for the presentation of evidence and oral argument. Testimony may be presented in written and/or oral form as the Tribunal may determine is appropriate. The Tribunal is not required to apply the rules of evidence used in judicial proceedings, provided, however, that the Tribunal shall apply the lawyer-client privilege and the work product immunity. The Tribunal shall determine the applicability of any privilege or immunity and the admissibility, relevance, materiality and weight of the evidence offered.

12.3 The Tribunal, in its discretion, may require the parties to produce evidence in addition to that initially offered. It may also appoint neutral experts whose testimony shall be subject to cross-examination and rebuttal.

12.4 The Tribunal shall determine the manner in which witnesses are to be examined. The Tribunal shall have the right to exclude witnesses from hearings during the testimony of other witnesses.

Rule 13: Interim Measures Of Protection

13.1 At the request of a party, the Tribunal may take such interim measures as it deems necessary, including measures for the preservation of assets, the conservation of goods or the sale of perishable goods. The Tribunal may require appropriate security as a condition of ordering such measures.

13.2 A request for interim measures by a party to a court shall not be deemed incompatible with the agreement to arbitrate or as a waiver of that agreement.

Rule 14: The Award

14.1 The Tribunal may make final, interim, interlocutory and partial awards. With respect to any interim, interlocutory or partial award, the Tribunal may state in its award whether or not it views the award as final for purposes of any judicial proceedings in connection therewith.

14.2 All awards shall be in writing and shall state the reasoning on which the award rests unless the parties agree otherwise. The award shall be deemed to be made at the seat of arbitration and shall contain the date on which the award was made. When there are three arbitrators, the award shall be made and signed by at least a majority of the arbitrators.

14.3 A member of the Tribunal who does not join in an award may file a dissenting opinion. Such opinion shall not constitute part of the award.

14.4 Executed copies of awards and of any dissenting opinion shall be delivered by the Tribunal to the parties.

14.5 Within 15 days after receipt of the award, either party, with notice to the other party, may request the Tribunal to interpret the award; to correct any clerical, typographical or computation errors, or any errors of a similar nature in the award; or to make an additional award as to claims or counterclaims presented in the arbitration but not determined in the award. The Tribunal shall make any interpretation, correction or additional award requested by either party that it deems justified within 30 days after receipt of such request. Within 15 days after delivery of the award to the parties or, if a party requests an interpretation, correction or additional award, within 30 days after receipt of such request, the Tribunal may make such corrections and additional awards on its own initiative as it deems appropriate. All interpretations, corrections, and additional awards shall be in writing, and the provisions of this Rule 14 shall apply to them.

14.6 The award shall be final and binding on the parties, and the parties will undertake to carry out the award without delay. If an interpretation, correction or additional award is requested by a party, or a correction or additional award is made by the Tribunal on its own initiative as provided in Rule 14.5, the award shall be final and binding on the parties when such interpretation, correction or additional award is made by the Tribunal or upon the expiration of the time periods provided in Rule 14.5 for such interpretation, correction or additional award to be made, whichever is earlier.

14.7 The dispute should in most circumstances be submitted to the Tribunal for decision within six months after the initial pre-hearing conference required by Rule 9.3. The final award should in most circumstances be rendered within one month thereafter. The parties and the Tribunal shall use their best efforts to comply with this schedule.

D. MISCELLANEOUS RULES

Rule 15: Failure To Comply With Rules

Whenever a party fails to comply with these Rules, or any order of the Tribunal pursuant to these Rules, in a manner deemed material by the Tribunal, the Tribunal shall fix a reasonable period of time for compliance and, if the party does not comply within said period, the Tribunal may impose a remedy it deems just, including an award on default. Prior to entering an award on default, the Tribunal shall require the non-defaulting party to produce evidence and legal argument in support of its contentions as the Tribunal may deem appropriate. The Tribunal may receive such evidence and argument without the defaulting party's presence or participation.

Rule 16: Costs

16.1 Each arbitrator shall be compensated on a reasonable basis determined at the time of appointment for serving as an arbitrator and shall be reimbursed for any reasonable travel and other expenses.

16.2 The Tribunal shall fix the costs of arbitration in its award. The costs of arbitration include:

a. The fees and expenses of members of the Tribunal;

b. The costs of expert advice and other assistance engaged by the Tribunal;

c. The travel and other expenses of witnesses to such extent as the Tribunal may deem appropriate;

d. The costs for legal representation and assistance and experts incurred by a party to such extent as the Tribunal may deem appropriate;

e. The charges and expenses of CPR with respect to the arbitration;

f. The costs of a transcript; and

g. The costs of meeting and hearing facilities.

16.3 Subject to any agreement between the parties to the contrary, the Tribunal may apportion the costs of arbitration between or among the parties in such manner as it deems reasonable, taking into account the circumstances of the case, the conduct of the parties during the proceeding, and the result of the arbitration.

16.4 The Tribunal may request each party to deposit an appropriate amount as an advance for the costs referred to in Rule 16.2, except those specified in subparagraph (d), and, during the course of the proceeding, it may request supplementary deposits from the parties. Any such funds shall be held and disbursed in such a manner as the Tribunal may deem appropriate.

16.5 If the requested deposits are not paid in full within 20 days after receipt of the request, the Tribunal shall so inform the parties in order that jointly or severally they may make the requested payment. If such payment is not made, the Tribunal may suspend or terminate the proceeding.

16.6 After the proceeding has been concluded, the Tribunal shall return any unexpended balance from deposits made to the parties as may be appropriate.

Rule 17: Confidentiality

Unless the parties agree otherwise, the parties, the arbitrators and CPR shall treat the proceedings, any related discovery and the decisions of the Tribunal, as confidential, except in connection with judicial proceedings ancillary to the arbitration, such as a judicial challenge to, or enforcement of, an award, and unless otherwise required by law or to protect a legal right of a party. To the extent possible, any specific issues of confidentiality should be raised with and resolved by the Tribunal.

Rule 18: Settlement And Mediation

18.1 Either party may propose settlement negotiations to the other party at any time. The Tribunal may suggest that the parties explore settlement at such times as the Tribunal may

deem appropriate.

18.2 With the consent of the parties, the Tribunal at any stage of the proceeding may arrange for mediation of the claims asserted in the arbitration by a mediator acceptable to the parties. The mediator shall be a person other than a member of the Tribunal. Unless the parties agree otherwise, any such mediation shall be conducted under the CPR Mediation Procedure.

18.3 The Tribunal will not be informed of any settlement offers or other statements made during settlement negotiations or a mediation between the parties, unless both parties consent.

Rule 19: Actions Against CPR Or Arbitrator(s)
Neither CPR nor any arbitrator shall be liable to any party for any act or omission in connection with any arbitration conducted under these Rules.

Rule 20: Waiver
A party knowing of a failure to comply with any provision of these Rules, or any requirement of the arbitration agreement or any direction of the Tribunal, and neglecting to state its objections promptly, waives any objection thereto.

CPR Specialized Panels

- CPR Technology Panel

Disputes in some areas of law may be more readily resolved by neutrals who have substantial knolwedge of the industry or practice area. For such purpose, CPR has established the Specialized Panels. For brief biographical information about a particular Panelist, simply click on his or her name.

CPR provides this roster of neutrals free of charge. If parties agree on a neutral, they may contact him or her directly. CPR receives no fee and asks only to be informed by the parties and the neutral that a neutral has been selected. If you desire CPR's assistance in finding the right neutral or getting the other side to the table, contact CPR headquarters at (212) 949-6490 and ask to speak with an attorney in the Panels Management Group, or send us an e-mail query to CPRneutrals@cpradr.org.

For a complete list of all CPR Panel rosters, see The CPR Panels.

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SUPRA

EXHIBIT: OAR 39

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ROBERT T. TOBIN
Kenyon & Kenyon
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J.T. WESTERMEIER
Piper & Marbury
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* Also on the CPR National Panel
** emeritus

For more information on ADR in the Technology/Patents Industry, please click here

EXHIBIT: OAR 40

WHY 250 GLOBAL CORPORATIONS ARE MEMBERS OF CPR

Most of the Fortune 200 Companies Are Corporate Members of the CPR Institute for Dispute Resolution. They Participate for Important Reasons:

- **TO LEARN HOW OTHER LEADING CORPORATIONS ARE REDUCING COSTS BY INNOVATIVE ADR USE**
- **TO INSTALL ADR IN THE MAINSTREAM OF LAW DEPARTMENT PRACTICE**
- **TO ASSURE LAW DEPARTMENT COMPETENCE IN ADR ADVOCACY AND ANALYZING ADR OPPORTUNITIES**
- **TO BECOME FAMILIAR WITH THE MOST QUALIFIED NEUTRALS AND WHAT THEY CAN ACHIEVE**
- **TO MEET THE LAW DEPARTMENT'S PROFESSIONAL OBLIGATION TO THE CLIENT AND SOCIETY – TO ASSURE COST-EFFECTIVE RESULTS**

Initiated by prominent general counsel, the CPR Institute is a leading nonprofit alliance of 500 global corporations, major law firms, academics and federal judges. CPR's mission is to assist the law department and the firm to incorporate ADR into the mainstream of their practice.

Corporations have accelerated their use of ADR and for good reasons. The success rate of mediation exceeds 85% and cost savings are usually significant. Companies using the CPR Panels of Neutrals, for example, reported average cost savings in excess of $300,000. Twenty-five companies who have invoked the CPR Corporate ADR Pledge recently reported estimated cost savings of $25 million.

Although the benefits of ADR are now well established, ADR proficiency varies widely in in-house use and in directing outside counsel. With the increase of ADR in the courts and business, it is imperative that the corporations be proficient in ADR practice.

CPR membership is indispensable for law department seeking the same level of competence in ADR as other practice areas. CPR member corporations find it the most cost-effective way to achieve ADR proficiency.

REASONS LEADING CORPORATIONS PARTICIPATE IN CPR

- **TO LEARN HOW OTHER LEADING CORPORATIONS ARE REDUCING LITIGATION COSTS**

CPR's semi-annual Member Meetings engage in sophisticated dialogues on current innovation in practice. These invitation-only meetings involve senior counsel from other Fortune 500 and European corporations as well as representatives of the major firms, the federal judiciary, government and academe.

More than 20 task forces involving the nation's experts in important practice areas and industries (see the box below) are developing new ADR uses and procedures. These initiatives offer a unique opportunity for experts within the law department to collaborate in their practice area with others at the forefront of ADR.

CPR has assisted companies as well as a dozen industries — food, chemical, insurance, banking, franchise, over-the-counter drug and equipment leasing — to successfully initiate cost effective programs to resolve disputes common to a company or industry. CPR and the National Association of Manufacturers recently

organized the Mediation Center for Business Disputes to serve NAM's 14,000 members.

- **TO INSTITUTIONALIZE ADR IN THE LAW DEPARTMENT PRACTICE**

CPR's mission is to install ADR into the mainstream of legal practice. To that end, CPR launched its ADR Counsel Project to assist the senior attorney(s) responsible for ADR in the law department. To make the ADR Counsel role successful and effective, CPR assists members to:

• Develop sophisticated litigation management policies and procedures based on the best corporate and firm practices.

• Counsel attorneys and company business executives about advantages in given cases, new developments and appropriate uses of ADR.

• Identify qualitative training on ADR uses, negotiation and advocacy and systems design.

• Develop sophisticated screens to analyze ADR suitability for pending cases.

• Assure the inclusion of appropriate dispute resolution clauses in contracts.

• Counsel on ADR use, selection of neutrals and advocacy in specific cases.

• Construct corporate ADR programs to resolve conflicts that are common to the industry or company (e.g., employee, vendor or consumer disputes).

As examples, CPR has developed specific programs and tools to help ADR Counsel fulfill their important mainstreaming role:

• **ADR 2000 Online Seminar Series** - Online seminars on the CPR Web site on cutting edge issues affecting ADR use by firms, businesses, public institutions and the courts.

• **CPR's "Building ADR into the Corporate Law Department" and "Building ADR into the Law Firm"** - Two unique books that profile the best practices in ADR systems design.

• The **ADR Suitability Screen** - Assists counsel to analyze cases for ADR potential.

- **TO ASSURE LAW DEPARTMENT COMPETENCE IN ADR ADVOCACY AND ANALYZING ADR OPPORTUNITIES**

CPR members are recognized as nationally known leaders in ADR.

Through its **Publications Program**, CPR provides, in hard copy and on our web site, the department with a unique ADR library, including:

• The Model ADR Practices and Procedures Series offering the state-of-the-art of ADR in the practice areas and industries listed in the box below.

• Videotapes for training on ADR processes.

• Books on ADR in the courts, provided to all federal judges by the Federal Judicial Center.

• *Alternatives*, the CPR monthly on ADR innovation among corporations and firms.

• E-Mail updates on new developments in ADR law and practice.

CPR's **Training Program** can be tailored to the law department's litigation caseload. The CPR Training Corps, the leading ADR trainers, has trained many federal courts, corporations and firms. Topics include:

- Basic and advanced ADR
- Advocacy in ADR
- Assessing ADR suitability in legal conflict
- New techniques to negotiate resolution
- ADR in specific areas, *e.g.*, employment conflict

CPR's **Research and Counseling Assistance** available only to firm members includes:

- Access to CPR's ADR database of 6,500 model procedures and innovative uses.
- Professional assistance by CPR staff experts on procedures, clauses, and case examples relevant to specific matters or issues encountered by law firms and their corporate clients.
- Online forums on current practice oriented issues, *e.g.,* ADR for information technology.

- **TO BE KNOWLEDGEABLE ABOUT AND MAKE EFFECTIVE USE OF THE NATION'S MOST QUALIFIED NEUTRALS**

CPR is committed to providing a unique resource composed of the nation's most distinguished lawyers, full time neutrals, retired judges and recognized experts. Over 700 Panelists comprise the National and Regional Panels in 36 states and Specialized Panels in 12 practice areas such as technology, employment and international.

Parties may retain Panelists directly, without charge, or seek CPR assistance. CPR publishes its roster of Panelists broadly, including the Internet (go to www.cpradr.org and click on Neutrals). Thus, parties have a choice. Counsel and clients may use the roster to retain CPR Panelists directly, in which case neither the parties nor the Panelist have any obligation to CPR. Or parties may ask the CPR Panels Management Group to help them select the right neutral, persuade the other side to engage in ADR or assist in any other way.

CPR strongly recommends self-administered ADR. "Self-administered" means that once the neutral is selected, he or she directs administrative matters (such as arranging meeting dates and locations) in consultation with the parties. Administration of the process (like any legal administration) is assumed in the Panelist's normal time charges. In large, CPR involvement is typically limited to neutral selection and program evaluation. Self-administered ADR eliminates needless administrative cost, while adding the qualities of optimum control, flexibility and innovation.

- **TO MEET THE LAW DEPARTMENT'S PROFESSIONAL OBLIGATION TO THE CLIENT AND THE PROFESSION**

By taking the lead, the counsel of global corporations are developing more effective ways to resolve conflict. The general counsel and law department (and the profession) earn needed recognition as a problem solver in society. CPR's Public Policy Projects have worked closely with the Federal courts to develop qualitative ADR programs, have led in developing ethical standards for ADR, assisted the Federal Departments to utilize ADR and promoted ADR globally.

CPR currently offers corporations two levels of membership: **Sustaining** at $6,000 per year intended for major corporations and **Contributing** at $3,000 per year for smaller corporations. Under a new membership

structure designed to build a broad base of involvement, both levels of membership carry full benefits and include the opportunity to attend both the Spring and Winter CPR meetings, participation on CPR Committees, full access to our database of ADR tools and materials, access to the Members Only section of our web site, on-line ADR forums, CPR's research, counseling and training services, receipt of *Alternatives* and *Connections*, our member newsletter, and much more. CPR is a nonprofit Section 501(c)(3) organization. Attrition of members is minimal, which is testimony to the value during these cost-conscious times.

SUBJECT AREAS OF CPR PROJECTS and PUBLICATIONS

ADR Procedures and Practices
ADR Contract Clauses
ADR Practice for the Law Department and the Firm
ADR Suitability Screen
Arbitration
Confidentiality in ADR
Cost Savings
Court ADR Programs
International ADR
Mediation
Minitrial
Multiparty ADR

Practice Areas
Antitrust
Commercial Contracts
E-Commerce
Employment
Environmental
Fair Housing
Government Uses of ADR
Intellectual Property
Product Liability
Taxation
Technology
Toxic Torts
Trademarks

ADR for Industries
Banking
Construction
Equipment Leasing
Food
Franchise
Health
Information Technology
Insurance
Oil and Gas
Securities
Telecommunications
Utilities

CPR Home Page | About CPR | Procedures & Clauses | Neutrals | Publications & Training
Who's Involved | ADR Pledges | What's New? | ADR in Industry & Practice Areas | E-mail

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October 6, 2000

VIA U.S. MAIL & FACSIMILE [(404) 614-4054]
LEAH G. COOPER
Attorney
BellSouth Telecommunications, Inc.
4300 BellSouth Center
675 West Peachtree Street, N.E.
Atlanta, Georgia 30375-0001

EXHIBIT
W

Re: Supra Telecom\BellSouth - Alleged Trademark Infringement

Dear Leah:

This letter responds to your letter of September 19, 2000 (which was received last week), concerning alleged infringement of certain trademarks owned by BellSouth Intellectual Property Corp. ("BIPCO"). I tried calling you earlier this week and left a message for you to return my call, but apparently you were unable to do so, and hence this letter.

As we have discussed in previous correspondence, it is perfectly legal under both state and federal trademark law for Supra Telecom to engage in comparative advertising. The newspaper advertisement which you enclosed is truthful in all respects and merely compares Supra Telecom's offerings to BellSouth's offerings. The advertisement specifically identifies "Area Plus", "Complete Choice" and "MemoryCall" as registered trademarks of BellSouth Corporation. The advertisement also identifies "BellSouth" as a registered trademark of BIPCO. Finally, the advertisement identifies "Area Plus", "Complete Choice" and "Memory Call" as products of BellSouth, with the prices shown as being for Supra Telecom's comparable product. If we are incorrect about any of the trademark owners, or if you feel that the advertisement does not clearly differentiate between Supra Telecom and BellSouth, please let me know and perhaps we can come to an agreement as to suitable comparative advertising language.

As for your reference to the current Interconnection Agreement between Supra Telecom and BellSouth Telecommunications, Inc. ("BellSouth Telecommunications"), please be advised that Supra Telecom is not using any trademarks of that company and thus is not in violation of any Interconnection Agreement. In your prior correspondence you conceded this fact, but claimed that BellSouth Telecommunications was using the marks under a licensing agreement, thereby bringing the marks under the scope of the Interconnection Agreement. Please provide

me a copy of that licensing agreement so that I may review the same and determine to what extent, if any, that licensing agreement impacts this situation.

Please also be aware that BellSouth Telecommunications and Supra Telecom are currently renegotiating a new Interconnection Agreement. Under the new agreement (which will in all likelihood be retroactive to June 2000), Supra Telecom will have the right to engage in comparative advertising using those marks referenced above; which according to you BellSouth Telecommunications is apparently licensed to use. In any event, on or about June 21, 2000, BellSouth Telecommunications entered into an Interconnection Agreement with MGC Communications d/b/a Mpower Communications Corporation ("Mpower"). That Interconnection Agreement specifically provides in paragraph 9.1 of the General Terms and Conditions - Part A, that BellSouth Telecommunications may not prohibit Mpower from using the name and marks of BellSouth Telecommunications in valid comparative advertising. Under the nondiscriminatory provisions of the Telecommunications Act of 1996 and the current Interconnection Agreement, Supra Telecom hereby requests the right to adopt that provision while the new Interconnection Agreement between Supra Telecom and BellSouth Telecommunications is being arbitrated.

Supra Telecom wants to comply with all applicable laws and only seeks to validly compete against BellSouth Telecommunications in a legally permissible way. In this regard, Supra Telecom is willing to meet with representatives of BellSouth Telecommunications in order to create fair and mutually agreeable language which ensures that consumers are not confused between the two companies' and their product offerings; while at the same time inform consumers of the considerable savings which consumers can receive ordering Supra Telecom's comparable products. In this regard, Supra Telecom welcomes your input and suggestions in achieving this goal.

If you have any questions or comments, please feel free to contact me at your convenience by telephone at (305) 531-5286 or via facsimile at (305) 531-5287. I look forward to hearing from you soon regarding this matter.

Sincerely,

Mark E. Buechele

cc: Supra Telecom

Brian Chaiken
General Counsel
2620 SW 27th Avenue
Miami, FL 33133-3001
Phone: (305) 476-4248
Fax: (305) 443-1078
Email: bchaiken@stis.com

July 11, 2001

VIA FACSIMILE and FEDERAL EXPRESS

Mr. Wayne Knight
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 001305-TP -- Pricing for Network Elements

Dear Mr. Knight:

Pursuant to your request, Supra has enclosed herein a list of the network elements for which Supra seeks to include pricing in its "Follow-On" Interconnection Agreement with BellSouth. Additionally, Supra has enclosed marked-up copies of BellSouth's tariffs. Supra seeks to provide each of the services, which have not been crossed off, to its end users. Therefore, Supra requests that BellSouth inform Supra which network elements are needed to provide each service, and, to the extent such elements are not included in Supra's list, that such elements be added to Supra's list. Should you require any further information, please do not hesitate to call.

Very truly yours,

BRIAN CHAIKEN
General Counsel
Supra Telecom

cc: Mr. Olukayode Ramos
J. Phillip Carver, Esq. (BellSouth)
Nancy White, Esq. (BellSouth)

SUPRA

EXHIBIT: OAR 42

ELEMENT NUMBER & DESCRIPTION	
A.0	UNBUNDLED LOCAL LOOP
A.1	2-WIRE ANALOG VOICE GRADE LOOP
A.1.1	2-Wire Analog Voice Grade Loop - Service Level 1
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.1.1	2-Wire Analog Voice Grade Loop - Service Level 1 - Disconnect Only
A.1.2	2-Wire Analog Voice Grade Loop - Service Level 2
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.1.2	2-Wire Analog Voice Grade Loop - Service Level 2 - Disconnect Only
A.2	SUB-LOOP
A.2.1	Sub-Loop Feeder Per 2-Wire Analog Voice Grade Loop
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.2.1	Sub-Loop Feeder Per 2-Wire Analog Voice Grade Loop - Disconnect Only
A 2.2	Sub-Loop Distribution Per 2-Wire Analog Voice Grade Loop
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.2.2	Sub-Loop Distribution Per 2-Wire Analog Voice Grade Loop - Disconnect Only
A.2.11	Sub-Loop Distribution Per 4-Wire Analog Voice Grade Loop
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.2.11	Sub-Loop Distribution Per 4-Wire Analog Voice Grade Loop - Disconnect Only
A.2.13	Network Interface Device Cross Connect
A.2.14	2-Wire Intrabuilding Network Cable (INC)
A.2.14	2-Wire Intrabuilding Network Cable (INC) - Disconnect Only
A.2.15	4-Wire Intrabuilding Network Cable (INC)
A.2.15	4-Wire Intrabuilding Network Cable (INC) - Disconnect Only
A.2.17	Sub-Loop - Per Cross Box Location - CLEC Feeder Facility Set-Up
A.2.18	Sub-Loop - Per Cross Box Location - Per 25 Pair Panel Set-Up
A.2.19	Sub-Loop - Per Building Equipment Room - CLEC Feeder Facility Set-Up
A.2.20	Sub-Loop - Per Building Equipment Room - Per

ELEMENT	NUMBER & DESCRIPTION
	25 Pair Panel Set-Up
A.2.21	Sub-Loop - Per Cross Box Location - CLEC Distribution Facility Set-Up
A.2.24	Sub-Loop - Per 4-Wire Analog Voice Grade Loop / Feeder Only
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.2.24	Sub-Loop - Per 4-Wire Analog Voice Grade Loop / Feeder Only - Disconnect Only
A.2.25	Sub-Loop - Per 2-Wire ISDN Digital Grade Loop / Feeder Only
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.2.25	Sub-Loop - Per 2-Wire ISDN Digital Grade Loop / Feeder Only - Disconnect Only
A.2 29	Sub-Loop - Per 4-Wire 56 or 64 Kbps Digital Grade Loop / Feeder Only
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.2.29	Sub-Loop - Per 4-Wire 56 or 64 Kbps Digital Grade Loop / Feeder Only - Disconnect Only
A.2.30	Sub-Loop - Per 2-Wire Copper Loop Short / Feeder Only
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.2.30	Sub-Loop - Per 2-Wire Copper Loop Short / Feeder Only - Disconnect Only
A.2 32	Sub-Loop - Per 4-Wire Copper Loop Short / Feeder Only
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.2 32	Sub-Loop - Per 4-Wire Copper Loop Short / Feeder Only - Disconnect Only
A.2.40	Sub-Loop - Per 2-Wire Copper Loop Short / Distribution Only
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.2.40	Sub-Loop - Per 2-Wire Copper Loop Short / Distribution Only - Disconnect Only
A.2.42	Sub-Loop - Per 4-Wire Copper Loop Short / Distribution Only
	Zone 1
	Zone 2
	Zone 3

ELEMENT NUMBER & DESCRIPTION	
	Zone 4
	Zone 5
	Zone 6
A.2.42	Sub-Loop - Per 4-Wire Copper Loop Short / Distribution Only - Disconnect Only
A.2.44	Network Interface Device (NID) - 2 line
A.2.45	Network Interface Device (NID) - 6 line
A.3	**LOOP CHANNELIZATION AND CO INTERFACE (INSIDE CO)**
A.3.12	Unbundled Loop Concentration - System A (TR008)
A.3.13	Unbundled Loop Concentration - System B (TR008)
A.3.14	Unbundled Loop Concentration - System A (TR303)
A.3.15	Unbundled Loop Concentration - System B (TR303)
A.3.16	Unbundled Loop Concentration - DS1 Line Interface Card
A.3.16	Unbundled Loop Concentration - DS1 Line Interface Card - Disconnect Only
A.3.17	Unbundled Loop Concentration - POTS Card
A.3.17	Unbundled Loop Concentration - POTS Card - Disconnect Only
A.3.18	Unbundled Loop Concentration - ISDN (Brite Card)
A.3.18	Unbundled Loop Concentration - ISDN (Brite Card) - Disconnect Only
A.3.19	Unbundled Loop Concentration - SPOTS Card
A.3.19	Unbundled Loop Concentration - SPOTS Card - Disconnect Only
A.3.20	Unbundled Loop Concentration - Specials Card
A.3.20	Unbundled Loop Concentration - Specials Card - Disconnect Only
A.3.21	Unbundled Loop Concentration - TEST CIRCUIT Card
A.3.21	Unbundled Loop Concentration - TEST CIRCUIT Card - Disconnect Only
A.3.22	Unbundled Loop Concentration - Digital 19, 56, 64 Kbps Data
A.3.22	Unbundled Loop Concentration - Digital 19, 56, 64 Kbps Data - Disconnect Only
A.4	**4-WIRE ANALOG VOICE GRADE LOOP**
A.4.1	4-Wire Analog Voice Grade Loop
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.4.1	4-Wire Analog Voice Grade Loop - Disconnect Only
A.5	**2-WIRE ISDN DIGITAL GRADE LOOP**
A.5.1	2-Wire ISDN Digital Grade Loop
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.5.1	2-Wire ISDN Digital Grade Loop - Disconnect Only
A.5.6	Universal Digital Channel
	Zone 1
	Zone 2
	Zone 3
	Zone 4

ELEMENT NUMBER & DESCRIPTION	
	Zone 5
	Zone 6
A.5.6	Universal Digital Channel - Disconnect Only
A.6	**2-WIRE ASYMMETRICAL DIGITAL SUBSCRIBER LINE (ADSL) COMPATIBLE LOOP**
A.6.1	2-Wire ADSL Compatible Loop (Non-recurring w/LMU)
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.6.1wLMU	2-Wire ADSL Digital Subscriber Line Compatible Loop (Non-recurring with LMU)
A.6.1wL	2-Wire ADSL Digital Subscriber Line Compatible Loop (Non-recurring with LMU) - Disc. Only
A.6.1woL	2-Wire ADSL Digital Subscriber Line Compatible Loop (Non-recurring without LMU)
A.6.1woL	2-Wire ADSL Digital Subscriber Line Compatible Loop (Non-recurring without LMU) - Disc. Only
A.7	**2-WIRE HIGH BIT RATE DIGITAL SUBSCRIBER LINE (HDSL) COMPATIBLE LOOP**
A.7.1	2-Wire HDSL Compatible Loop
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.7.1wL	2-Wire HDSL Compatible Loop (Nonrecurring with LMU)
A.7.1wL	2-Wire HDSL Compatible Loop (Nonrecurring with LMU) - Disc Only
A.7.1woL	2-Wire HDSL Compatible Loop (Nonrecurring without LMU)
A.7.1woL	2-Wire HDSL Compatible Loop (Nonrecurring without LMU) - Disc. Only
A.8	**4-WIRE HIGH BIT RATE DIGITAL SUBSCRIBER LINE (HDSL) COMPATIBLE LOOP**
A.8.1	4-Wire HDSL Compatible Loop
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.8.1wL	4-Wire HDSL Compatible Loop (Nonrecurring with LMU)
A.8.1wL	4-Wire HDSL Compatible Loop (Nonrecurring with LMU) - Disc. Only
A 8.1woL	4-Wire HDSL Compatible Loop (Nonrecurring without LMU)
A.8.1woL	4-Wire HDSL Compatible Loop (Nonrecurring without LMU) - Disc. Only
A.9	**4-WIRE DS1 DIGITAL LOOP**
A.9.1	4-Wire DS1 Digital Loop
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.9.1	4-Wire DS1 Digital Loop - Disconnect Only
A.9.2	Sub-Loop Feeder Per 4-Wire DS1 Digital Loop

ELEMENT NUMBER & DESCRIPTION	
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.9.2	Sub-Loop Feeder Per 4-Wire DS1 Digital Loop - Disconnect Only
A.10	**4-WIRE 19, 56 OR 64 KBPS DIGITAL GRADE LOOP**
A.10.1	4-Wire 19, 56 or 64 Kbps Digital Grade Loop
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.10.1	4-Wire 19, 56 or 64 Kbps Digital Grade Loop - Disconnect Only
A.12	**CONCENTRATION PER SYSTEM PER FEATURE ACTIVATED (OUTSIDE CENTRAL OFFICE)**
A.12.1	Unbundled Loop Concentration - System A (TR008)
A.12.1	Unbundled Loop Concentration - System A (TR008) - Disconnect Only
A.12.2	Unbundled Loop Concentration - System B (TR008)
A.12.2	Unbundled Loop Concentration - System B (TR008) - Disconnect Only
A.12.3	Unbundled Loop Concentration - System A (TR303)
A.12.3	Unbundled Loop Concentration - System A (TR303) - Disconnect Only
A 12.4	Unbundled Loop Concentration - System B (TR303)
A.12.4	Unbundled Loop Concentration - System B (TR303) - Disconnect Only
A.12.5	Unbundled Sub-loop Concentration - USLC Feeder Interface
	Zone 1
	Zone 2
	Zone 3
A.12.5	Unbundled Sub-loop Concentration - USLC Feeder Interface - Disconnect Only
A.12.6	Unbundled Loop Concentration - POTS Card
A.12.6	Unbundled Loop Concentration - POTS Card - Disconnect Only
A.12.7	Unbundled Loop Concentration - ISDN (Brite Card)
A.12.7	Unbundled Loop Concentration - ISDN (Brite Card) - Disconnect Only
A.12.8	Unbundled Loop Concentration - SPOTS Card
A.12.8	Unbundled Loop Concentration - SPOTS Card - Disconnect Only
A.12 9	Unbundled Loop Concentration - Specials Card
A.12.9	Unbundled Loop Concentration - Specials Card - Disconnect Only
A.12.10	Unbundled Loop Concentration - TEST CIRCUIT Card
A.12.10	Unbundled Loop Concentration - TEST CIRCUIT Card - Disconnect Only
A.12.11	Unbundled Loop Concentration - Digital 19, 56, 64 Kbps Data
A.12.11	Unbundled Loop Concentration - Digital 19, 56, 64 Kbps Data - Disconnect Only
A.13	**2-WIRE COPPER LOOP**
A.13 1	2-Wire Copper Loop - short
	Zone 1
	Zone 2

ELEMENT NUMBER & DESCRIPTION	
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.13.1wL	2-Wire Copper Loop - short (Nonrecurring with LMU)
A.13.1wL	2-Wire Copper Loop - short (Nonrecurring with LMU) - Disc. Only
A.13.1woL	2-Wire Copper Loop - short (Nonrecurring without LMU)
A.13.1woL	2-Wire Copper Loop - short (Nonrecurring without LMU) - Disc. Only
A.13.7	2-Wire Copper Loop - long
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.13.7wL	2-Wire Copper Loop - long (Nonrecurring with LMU)
A.13.7wL	2-Wire Copper Loop - long (Nonrecurring with LMU) - Disc. Only
A.13.7woL	2-Wire Copper Loop - long (Nonrecurring without LMU)
A.13.7woL	2-Wire Copper Loop - long (Nonrecurring without LMU) - Disc. Only
A.14	4-WIRE COPPER LOOP
A.14.1	4-Wire Copper Loop - short
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.14 1wL	4-Wire Copper Loop - short (Nonrecurring with LMU)
A.14.1wL	4-Wire Copper Loop - short (Nonrecurring with LMU) - Disc. Only
A.14.1woL	4-Wire Copper Loop - short (Nonrecurring without LMU)
A.14.1woL	4-Wire Copper Loop - short (Nonrecurring without LMU) - Disc. Only
A 14.7	4-Wire Copper Loop - long
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
A.14.7wL	4-Wire Copper Loop - long (Nonrecurring with LMU)
A.14.7wL	4-Wire Copper Loop - long (Nonrecurring with LMU) - Disc. Only
A.14.7woL	4-Wire Copper Loop - long (Nonrecurring without LMU)
A.14.7woL	4-Wire Copper Loop - long (Nonrecurring without LMU) - Disc Only
A.15	UNBUNDLED NETWORK TERMINATING WIRE (NTW)
A.15.1	Unbundled Network Terminating Wire (NTW) per Pair
A.16	HIGH CAPACITY UNBUNDLED LOCAL LOOP
A.16.1	High Capacity Unbundled Local Loop - DS3 - Facility Termination
A.16.1	High Capacity Unbundled Local Loop - DS3 - Facility Termination - Disconnect Only

ELEMENT	NUMBER & DESCRIPTION
A.16.2	High Capacity Unbundled Local Loop - DS3 - Per Mile
A.16.4	High Capacity Unbundled Local Loop - OC3 - Facility Termination
A.16.4	High Capacity Unbundled Local Loop - OC3 - Facility Termination - Disconnect Only
A.16.5	High Capacity Unbundled Local Loop - OC3 - Per Mile
A.16.7	High Capacity Unbundled Local Loop - OC12 - Facility Termination
A.16.7	High Capacity Unbundled Local Loop - OC12 - Facility Termination - Disconnect Only
A.16.8	High Capacity Unbundled Local Loop - OC12 - Per Mile
A.16.10	High Capacity Unbundled Local Loop - OC48 - Facility Termination
A.16.10	High Capacity Unbundled Local Loop - OC48 - Facility Termination - Disconnect Only
A.16.11	High Capacity Unbundled Local Loop - OC48 - Per Mile
A.16.13	High Capacity Unbundled Local Loop - OC48 - Interface OC12 on OC48
A.16.13	High Capacity Unbundled Local Loop - OC48 - Interface OC12 on OC48 - Disconnect Only
A.16.15	High Capacity Unbundled Local Loop - STS-1 - Facility Termination
A.16.15	High Capacity Unbundled Local Loop - STS-1 - Facility Termination - Disconnect Only
A.16.16	High Capacity Unbundled Local Loop - STS-1 - Per Mile
A.17	LOOP CONDITIONING
A.17.1	Unbundled Loop Modification - Load Coil / Equipment Removal - short
A.17.2	Unbundled Loop Modification - Load Coil / Equipment Removal - long - First and Additional[31]
A.17.3	Unbundled Loop Modification - Bridged Tap Removal
A.17.4	Unbundled Loop Modification - Additive[32]
A.17.5	Unbundled Sub-Loop Mod. - 2W/4W Copper Distribution Load Coil/Equip. Removal First/Add'l
A.17.6	Unbundled Sub-Loop Modification - 2W/4W Copper Distrib. Bridged Tap Removal First/Add'l
A.18	MULTIPLEXERS
A.18.1	Channelization - Channel System DS1 to DS0
A.18.1	Channelization - Channel System DS1 to DS0 - Disconnect Only
A.18.2	Interface Unit - Interface DS1 to DS0 - OCU-DP Card
A.18.3	Interface Unit - Interface DS1 to DS0 - BRITE Card
A.18.4	Interface Unit - Interface DS1 to DS0 - Voice Grade Card
A.18.5	Channelization - Channel System DS3 to DS1
A.18.5	Channelization - Channel System DS3 to DS1 - Disconnect Only
A.18.6	Interface Unit - Interface DS3 to DS1
A.19	LOOP TESTING BEYOND VOICE GRADE
A.19.1	Loop Testing Beyond VG - Basic per 1/2 hour
A.19.2	Loop Testing Beyond VG - Overtime per 1/2 hour
A.19.3	Loop Testing Beyond VG - Premium per 1/2 hour

ELEMENT NUMBER	DESCRIPTION
B.0	UNBUNDLED LOCAL EXCHANGE PORTS AND FEATURES
B.1	EXCHANGE PORTS
B.1.1	Exchange Ports - 2-Wire Analog Line Port (Res., Bus., Centrex, Coin)
B.1.1	Exchange Ports - 2-Wire Analog Line Port (Res., Bus., Centrex, Coin) - Disconnect Only
B.1.2	Exchange Ports - 4-Wire Analog Voice Grade Port
B.1.2	Exchange Ports - 4-Wire Analog Voice Grade Port - Disconnect Only
B.1.3	Exchange Ports - 2-Wire DID Port
B.1.3	Exchange Ports - 2-Wire DID Port - Disconnect Only
B.1.4	Exchange Ports - DDITS Port
B.1.4	Exchange Ports - DDITS Port - Disconnect Only
B.1.5	Exchange Ports - 2-Wire ISDN Port
B.1.5	Exchange Ports - 2-Wire ISDN Port - Disconnect Only
B.1.6	Exchange Ports - 4-Wire ISDN DS1 Port
B.1.6	Exchange Ports - 4-Wire ISDN DS1 Port - Disconnect Only
B.1.7	Exchange Ports - 2-Wire Analog Line Port (PBX)
B.1.7	Exchange Ports - 2-Wire Analog Line Port (PBX) - Disconnect Only
B.4	FEATURES
B.4.10	Centrex Functionality
B.4.13	Features per port
C.0	UNBUNDLED SWITCHING AND LOCAL INTERCONNECTION
C.1	END OFFICE SWITCHING
C.1.1	End Office Switching Function, Per MOU
C.1.2	End Office Trunk Port - Shared, Per MOU
C.2	TANDEM SWITCHING
C.2.1	Tandem Switching Function Per MOU
C.2.2	Tandem Trunk Port - Shared, Per MOU
D.0	UNBUNDLED TRANSPORT AND LOCAL INTEROFFICE TRANSPORT
D.1	COMMON TRANSPORT
D.1.1	Common Transport - Per Mile, Per MOU
D.1.2	Common Transport - Facilities Termination Per MOU
D.2	INTEROFFICE TRANSPORT - DEDICATED - VOICE GRADE
D.2.1	Interoffice Transport - Dedicated - 2-Wire Voice Grade - Per Mile
D.2.2	Interoffice Transport - Dedicated - 2- Wire Voice Grade - Facility Termination
D.2.2	Interoffice Transport - Dedicated - 2- Wire Voice Grade - Facility Termination - Disconnect Only
D.3	INTEROFFICE TRANSPORT - DEDICATED - DS0 - 56/64 KBPS
D.3.1	Interoffice Transport - Dedicated - DS0 - Per Mile
D.3.2	Interoffice Transport - Dedicated - DS0 - Facility Termination
D.3.2	Interoffice Transport - Dedicated - DS0 - Facility Termination - Disconnect Only
D.4	INTEROFFICE TRANSPORT - DEDICATED - DS1
D.4.1	Interoffice Transport - Dedicated - DS1 - Per Mile
D.4.2	Interoffice Transport - Dedicated - DS1 - Facility Termination

ELEMENT	NUMBER & DESCRIPTION
D.4.2	Interoffice Transport - Dedicated - DS1 - Facility Termination - Disconnect Only
D.5	LOCAL CHANNEL - DEDICATED
D.5.1	Local Channel - Dedicated - 2-Wire Voice Grade
	Zone 1
	Zone 2
	Zone 3
D.5.1	Local Channel - Dedicated - 2-Wire Voice Grade - Disconnect Only
D.5.2	Local Channel - Dedicated - 4-Wire Voice Grade
	Zone 1
	Zone 2
	Zone 3
D.5.2	Local Channel - Dedicated - 4-Wire Voice Grade - Disconnect Only
D.5.7	Local Channel - Dedicated - DS3 - Per Mile
D.5.8	Local Channel - Dedicated - DS3 - Facility Termination
D.5.8	Local Channel - Dedicated - DS3 - Facility Termination - Disconnect Only
D.5.10	Local Channel - Dedicated - OC3 - Per Mile
D.5.11	Local Channel - Dedicated - OC3 - Facility Termination
D.5.11	Local Channel - Dedicated - OC3 - Facility Termination - Disconnect Only
D.5.13	Local Channel - Dedicated - OC12 - Per Mile
D.5.14	Local Channel - Dedicated - OC12 - Facility Termination
D.5.14	Local Channel - Dedicated - OC12 - Facility Termination - Disconnect Only
D.5.16	Local Channel - Dedicated - OC48 - Per Mile
D.5.17	Local Channel - Dedicated - OC48 - Facility Termination
D.5.17	Local Channel - Dedicated - OC48 - Facility Termination - Disconnect Only
D.5.19	Local Channel - Dedicated - OC48 - Interface OC12 on OC48
D.5.19	Local Channel - Dedicated - OC48 - Interface OC12 on OC48 - Disconnect Only
D.5.21	Local Channel - Dedicated - STS-1 - Facility Termination
D.5.21	Local Channel - Dedicated - STS-1 - Facility Termination - Disconnect Only
D.5.23	Local Channel - Dedicated - STS-1 -Per Mile
D.5.24	Local Channel - Dedicated - DS1
	Zone 1
	Zone 2
	Zone 3
D.5.24	Local Channel - Dedicated - DS1 - Disconnect Only
D.6	INTEROFFICE TRANSPORT - DEDICATED - DS3
D.6.1	Interoffice Transport - Dedicated - DS3 - Per Mile
D.6 2	Interoffice Transport - Dedicated - DS3 - Facility Termination
D.6.2	Interoffice Transport - Dedicated - DS3 - Facility Termination - Disconnect Only
D.7	INTEROFFICE TRANSPORT - DEDICATED - OC3
D 7.1	Interoffice Transport - Dedicated - OC3 - Per Mile
D.7.2	Interoffice Transport - Dedicated - OC3 - Facility Termination
D.7 2	Interoffice Transport - Dedicated - OC3 - Facility Termination - Disconnect Only
D.8	INTEROFFICE TRANSPORT - DEDICATED - OC12
D.8 1	Interoffice Transport - Dedicated - OC12 -

ELEMENT NUMBER & DESCRIPTION	
	Per Mile
D.8.2	Interoffice Transport - Dedicated - OC12 - Facility Termination
D.8.2	Interoffice Transport - Dedicated - OC12 - Facility Termination - Disconnect Only
D.9	**INTEROFFICE TRANSPORT - DEDICATED - OC48**
D.9.1	Interoffice Transport - Dedicated - OC48 - Per Mile
D.9.2	Interoffice Transport - Dedicated - OC48 - Facility Termination
D.9.2	Interoffice Transport - Dedicated - OC48 - Facility Termination - Disconnect Only
D.9.4	Interoffice Transport - Dedicated - OC48 - Interface OC12 on OC48
D.9.4	Interoffice Transport - Dedicated - OC48 - Interface OC12 on OC48 - Disconnect Only
D.10	**INTEROFFICE TRANSPORT - DEDICATED - STS-1**
D.10.1	Interoffice Transport - Dedicated - STS-1 - Per Mile
D.10.2	Interoffice Transport - Dedicated - STS-1 - Facility Termination
D.10.2	Interoffice Transport - Dedicated - STS-1 - Facility Termination - Disconnect Only
D.12	**INTEROFFICE TRANSPORT - DEDICATED - 4-WIRE VOICE GRADE**
D.12.1	Interoffice Transport - Dedicated - 4-Wire Voice Grade - Per Mile
D.12.2	Interoffice Transport - Dedicated - 4-Wire Voice Grade - Facility Termination
D.12.2	Interoffice Transport - Dedicated - 4-Wire Voice Grade - Facility Termination - Disconnect Only
E.0	**SIGNALING NETWORK, DATA BASES, & SERVICE MANAGEMENT SYSTEMS**
E.1	800 ACCESS TEN DIGIT SCREENING
E.1.1	800 Access Ten Digit Screening, Per Call
E.1.2	800 Access Ten Digit Screening, Reservation Charge Per 800 Number Reserved
E.1.3	800 Access Ten Digit Screening, Per 800 No. Established W/O POTS Translations
E.1.3	800 Access Ten Digit Screening, Per 800 No. Established W/O POTS Translations - Disc. Only
E.1.4	800 Access Ten Digit Screening, Per 800 No. Established With POTS Translations
E.1.4	800 Access Ten Digit Screening, Per 800 No. Established With POTS Translations - Disc. Only
E.1.5	800 Access Ten Digit Screening, Customized Area of Service Per 800 Number
E.1.6	800 Access Ten Digit Screening, Multiple InterLATA CXR Routing Per CXR Requested Per 800 No.
E.1.7	800 Access Ten Digit Screening, Change Charge Per Request
E.1.8	800 Access Ten Digit Screening, Call Handling and Destination Features
E 1.9	800 Access Ten Digit Screening, w/ 8FL No. Delivery
E.1.10	800 Access Ten Digit Screening, w/ POTS No. Delivery
E.2	LINE INFORMATION DATA BASE ACCESS (LIDB)
E 2.1	LIDB Common Transport Per Query
E.2.2	LIDB Validation Per Query
E.2.3	LIDB Originating Point Code Establishment or Change
E.2.3	LIDB Originating Point Code Establishment or Change - Disconnect Only

ELEMENT NUMBER & DESCRIPTION	
E.3	**CCS7 SIGNALING TRANSPORT**
E.3.1	CCS7 Signaling Connection, Per 56Kbps Facility
E.3.1	CCS7 Signaling Connection, Per 56Kbps Facility - Disconnect Only
E.3.2	CCS7 Signaling Termination, Per STP Port
E.3.3	CCS7 Signaling Usage, Per Call Setup Message
E.3.4	CCS7 Signaling Usage, Per TCAP Message
E.3.7	CCS7 Signaling Connection, Per link (A link)
E.3.8	CCS7 Signaling Connection, Per link (B link) (also known as D link)
E.3.9	CCS7 Signaling Usage, Per ISUP Message
E.3.10	CCS7 Signaling Usage Surrogate, per link
E.3.11	CCS7 Signaling Point Code, Establishment or Change, per STP affected
E.3.11	CCS7 Signaling Point Code, Establishment or Change, per STP affected - Disconnect Only
E.4	**BELLSOUTH CALLING NAME (CNAM) DATABASE (DB) SERVICE**
E.4.1	CNAM for DB Owners - Service Establishment, Manual
E.4.1	CNAM for DB Owners - Service Establishment, Manual - Disconnect Only
E 4 2	CNAM for Non DB Owners - Service Establishment, Manual
E.4.2	CNAM for Non DB Owners - Service Establishment, Manual - Disconnect Only
E.4.3	CNAM for DB Owners Service Provisioning with Point Code Establishment
E.4.3	CNAM for DB Owners Service Provisioning with Point Code Establishment - Disconnect Only
E.4.4	CNAM for Non DB Owners Service Provisioning with Point Code Establishment
E 4.4	CNAM for Non DB Owners Service Provisioning with Point Code Establishment - Disc. Only
E.4.5	CNAM for DB and Non DB Owners, Per Query
E.5	**BELLSOUTH ACCESS TO E911 SERVICE**
E.5.1	BellSouth E911 Access - Local Channel - Dedicated - 2-wire Voice Grade (Same as D.5.1)
	Zone 1
	Zone 2
	Zone 3
	BellSouth E911 Access - Local Channel - Dedicated - 2-wire Voice Grade (Same as D 5.1) - Disc. Only
E.5.2	BellSouth E911 Access - Interoffice Transport - Dedicated - 2-wire Voice Grade Per Mile (Same as D.2.1)
E.5.3	BellSouth E911 Access - Interoffice Transport - Dedicated 2-wire Voice Grade Per Fac. Term (same as D.2.2)
E.5.3	BellSouth E911 Access - Interoffice Transport - Dedicated 2-wire Voice Grade Per Fac. Term- Disc. Only (same as D.2.2)
E.5.4	BellSouth E911 Access - Local Channel - Dedicated - DS1 (Same as D.5.24)
	Zone 1
	Zone 2
	Zone 3
E.5.4	BellSouth E911 Access - Local Channel - Dedicated - DS1 (Same as D.5.24) - Disconnect Only
E.5.5	BellSouth E911 Access - Interoffice Transport - Dedicated - DS1 Per Mile (Same as D.4 1)
E.5.6	BellSouth E911 Access - Interoffice Transport - Dedicated - DS1 Per Facility Termination (Same as D.4.2)
	BellSouth E911 Access - Interoffice Transport - Dedicated - DS1 Per Facility Termination - Disc. Only (same as D.4.2)

ELEMENT NUMBER & DESCRIPTION	
	Per Mile
D.8.2	Interoffice Transport - Dedicated - OC12 - Facility Termination
D.8.2	Interoffice Transport - Dedicated - OC12 - Facility Termination - Disconnect Only
D.9	**INTEROFFICE TRANSPORT - DEDICATED - OC48**
D.9.1	Interoffice Transport - Dedicated - OC48 - Per Mile
D.9.2	Interoffice Transport - Dedicated - OC48 - Facility Termination
D.9.2	Interoffice Transport - Dedicated - OC48 - Facility Termination - Disconnect Only
D.9.4	Interoffice Transport - Dedicated - OC48 - Interface OC12 on OC48
D.9.4	Interoffice Transport - Dedicated - OC48 - Interface OC12 on OC48 - Disconnect Only
D.10	**INTEROFFICE TRANSPORT - DEDICATED - STS-1**
D.10.1	Interoffice Transport - Dedicated - STS-1 - Per Mile
D.10.2	Interoffice Transport - Dedicated - STS-1 - Facility Termination
D.10.2	Interoffice Transport - Dedicated - STS-1 - Facility Termination - Disconnect Only
D.12	**INTEROFFICE TRANSPORT - DEDICATED - 4-WIRE VOICE GRADE**
D.12.1	Interoffice Transport - Dedicated - 4-Wire Voice Grade - Per Mile
D.12.2	Interoffice Transport - Dedicated - 4-Wire Voice Grade - Facility Termination
D.12 2	Interoffice Transport - Dedicated - 4-Wire Voice Grade - Facility Termination - Disconnect Only
E.0	**SIGNALING NETWORK, DATA BASES, & SERVICE MANAGEMENT SYSTEMS**
E.1	**800 ACCESS TEN DIGIT SCREENING**
E.1.1	800 Access Ten Digit Screening, Per Call
E.1.2	800 Access Ten Digit Screening, Reservation Charge Per 800 Number Reserved
E.1.3	800 Access Ten Digit Screening, Per 800 No. Established W/O POTS Translations
E.1.3	800 Access Ten Digit Screening, Per 800 No. Established W/O POTS Translations - Disc. Only
E.1.4	800 Access Ten Digit Screening, Per 800 No. Established With POTS Translations
E.1.4	800 Access Ten Digit Screening, Per 800 No. Established With POTS Translations - Disc. Only
E.1.5	800 Access Ten Digit Screening, Customized Area of Service Per 800 Number
E.1.6	800 Access Ten Digit Screening, Multiple InterLATA CXR Routing Per CXR Requested Per 800 No.
E.1.7	800 Access Ten Digit Screening, Change Charge Per Request
E.1.8	800 Access Ten Digit Screening, Call Handling and Destination Features
E.1.9	800 Access Ten Digit Screening, w/ 8FL No. Delivery
E.1.10	800 Access Ten Digit Screening, w/ POTS No. Delivery
E.2	**LINE INFORMATION DATA BASE ACCESS (LIDB)**
E.2.1	LIDB Common Transport Per Query
E 2.2	LIDB Validation Per Query
E.2.3	LIDB Originating Point Code Establishment or Change
E.2.3	LIDB Originating Point Code Establishment or Change - Disconnect Only

ELEMENT NUMBER & DESCRIPTION	
E.3	**CCS7 SIGNALING TRANSPORT**
E.3.1	CCS7 Signaling Connection, Per 56Kbps Facility
E.3.1	CCS7 Signaling Connection, Per 56Kbps Facility - Disconnect Only
E.3.2	CCS7 Signaling Termination, Per STP Port
E.3.3	CCS7 Signaling Usage, Per Call Setup Message
E.3.4	CCS7 Signaling Usage, Per TCAP Message
E.3.7	CCS7 Signaling Connection, Per link (A link)
E.3.8	CCS7 Signaling Connection, Per link (B link) (also known as D link)
E.3.9	CCS7 Signaling Usage, Per ISUP Message
E.3.10	CCS7 Signaling Usage Surrogate, per link
E.3.11	CCS7 Signaling Point Code, Establishment or Change, per STP affected
E.3.11	CCS7 Signaling Point Code, Establishment or Change, per STP affected - Disconnect Only
E.4	**BELLSOUTH CALLING NAME (CNAM) DATABASE (DB) SERVICE**
E.4.1	CNAM for DB Owners - Service Establishment, Manual
E.4.1	CNAM for DB Owners - Service Establishment, Manual - Disconnect Only
E.4.2	CNAM for Non DB Owners - Service Establishment, Manual
E.4.2	CNAM for Non DB Owners - Service Establishment, Manual - Disconnect Only
E.4.3	CNAM for DB Owners Service Provisioning with Point Code Establishment
E.4.3	CNAM for DB Owners Service Provisioning with Point Code Establishment - Disconnect Only
E.4.4	CNAM for Non DB Owners Service Provisioning with Point Code Establishment
E.4.4	CNAM for Non DB Owners Service Provisioning with Point Code Establishment - Disc. Only
E.4.5	CNAM for DB and Non DB Owners, Per Query
E.5	**BELLSOUTH ACCESS TO E911 SERVICE**
E.5.1	BellSouth E911 Access - Local Channel - Dedicated - 2-wire Voice Grade (Same as D.5.1)
	Zone 1
	Zone 2
	Zone 3
	BellSouth E911 Access - Local Channel - Dedicated - 2-wire Voice Grade (Same as D.5.1) - Disc. Only
E.5.2	BellSouth E911 Access - Interoffice Transport - Dedicated - 2-wire Voice Grade Per Mile (Same as D.2.1)
E.5.3	BellSouth E911 Access - Interoffice Transport - Dedicated 2-wire Voice Grade Per Fac. Term (same as D.2.2)
E.5.3	BellSouth E911 Access - Interoffice Transport - Dedicated 2-wire Voice Grade Per Fac. Term- Disc Only (same as D.2.2)
E.5.4	BellSouth E911 Access - Local Channel - Dedicated - DS1 (Same as D.5.24)
	Zone 1
	Zone 2
	Zone 3
E.5.4	BellSouth E911 Access - Local Channel - Dedicated - DS1 (Same as D.5.24) - Disconnect Only
E.5.5	BellSouth E911 Access - Interoffice Transport - Dedicated - DS1 Per Mile (Same as D.4.1)
E.5.6	BellSouth E911 Access - Interoffice Transport - Dedicated - DS1 Per Facility Termination (Same as D.4.2)
	BellSouth E911 Access - Interoffice Transport - Dedicated - DS1 Per Facility Termination - Disc. Only (same as D.4.2)

ELEMENT NUMBER & DESCRIPTION	
E.6	**LNP QUERY SERVICE**
E.6.1	LNP Cost Per query
E.6.2	LNP Service Establishment Manual
E.6.2	LNP Service Establishment Manual - Disconnect Only
E.6.3	LNP Service Provisioning with Point Code Establishment
E.6.3	LNP Service Provisioning with Point Code Establishment - Disconnect Only
G.0	**SELECTIVE ROUTING**
G.9	**SELECTIVE ROUTING (INTERIM SOLUTION LINE CLASS CODES)**
G.9.1	Selective Routing Per Unique Line Class Code Per Request Per Switch
G.9.1	Selective Routing Per Unique Line Class Code Per Request Per Switch - Disconnect Only
G.11	**SELECTIVE CARRIER ROUTING (AIN SOLUTION)**
G.11.1	Service Establishment per CLEC
G.11.1	Service Establishment per CLEC - Disconnect Only
G.11.2	Service Establishment per End Office
G.11 2	Service Establishment per End Office - Disconnect Only
G.11.4	Query Cost
I.0	**INTERIM SERVICE PROVIDER NUMBER PORTABILITY**
I.1	**INTERIM SERVICE PROVIDER NUMBER PORTABILITY - RCF**
I.1.1	Service Provider Number Portability - RCF, Per Number Ported
I.1.1	Service Provider Number Portability - RCF, Per Number Ported - Disconnect Only
I.1.2	Service Provider Number Portability - RCF, Per Additional Path
I.2	**SERVICE PROVIDER NUMBER PORTABILITY - DID**
I.2.1	Service Provider Number Portability - DID, Per Number Ported, Residence
I.2.1	Service Provider Number Portability - DID, Per Number Ported, Residence - Disconnect Only
I.2.2	Service Provider Number Portability - DID, Per Number Ported, Business
I.2.2	Service Provider Number Portability - DID, Per Number Ported, Business - Disconnect Only
I.2.4	Service Provider Number Portability - DID, Per Trunk Termination, Initial
I.2.4	Service Provider Number Portability - DID, Per Trunk Termination, Initial - Disconnect Only
I.2.5	Service Provider Number Portability - DID, Per Trunk Termination, Subsequent
I.2.5	Service Provider Number Portability - DID, Per Trunk Termination, Subsequent - Disconnect Only
I.4	**SERVICE PROVIDER NUMBER PORTABILITY RIPH**
I.4.1	Service Provider Number Portability - RIPH, Functionality, Per Central office
I.4.1	Service Provider Number Portability - RIPH, Functionality, Per Central office - Disconnect Only
I.4.2	Service Provider Number Portability - RIPH, Functionality, Per Rearrangement
I.4.3	Service Provider Number Portability - RI-PH, Per Number Ported
I.4.3	Service Provider Number Portability - RI-PH, Per Number Ported - Disconnect Only
J.0	**OTHER**
J.1	**DARK FIBER**
J.1 2	Dark Fiber, Per Four Fiber Strands, Per

ELEMENT	NUMBER & DESCRIPTION
	Route Mile or Fraction Thereof - Local Channel/Loop
J.1.2	Dark Fiber, Per 4 Fiber Strands, Per Route Mile or Fraction Thereof - Local Chan/Loop - Disc. Only
J.1.3	Dark Fiber, Per Four Fiber Strands, Per Route Mile or Fraction Thereof - Interoffice
J.1.3	Dark Fiber, Per Four Fiber Strands, Per Route Mile or Fraction Thereof - Interoffice - Disc. Only
J.3	**LOOP MAKE-UP**
J.3.1	Mechanized Loop Make-up
J.3.3	Manual Loop Make-up w/o Facility Reservation Number
J.3.4	Manual Loop Make-up w/ Facility Reservation Number
J.5	**ACCESS TO THE DCS**
J.5.1	Customer Reconfiguration Establishment
J.5.1	Customer Reconfiguration Establishment - Disconnect Only
J.5.2	DS1 DCS Termination with DS0 Switching
J.5.2	DS1 DCS Termination with DS0 Switching - Disconnect Only
J.5.3	DS1 DCS Termination with DS1 Switching
J.5.3	DS1 DCS Termination with DS1 Switching - Disconnect Only
J.5.4	DS3 DCS Termination with DS1 Switching
J.5.4	DS3 DCS Termination with DS1 Switching - Disconnect Only
K.0	**ADVANCED INTELLIGENT NETWORK (AIN) SERVICES**
K.1	**BELLSOUTH AIN SMS ACCESS SERVICE**
K.1.1	AIN SMS Access Service - Service Establishment, Per State, Initial Setup
K.1.1	AIN SMS Access Service - Service Establishment, Per State, Initial Setup - Disconnect Only
K.1.2	AIN SMS Access Service - Port Connection - Dial/Shared Access
K.1.2	AIN SMS Access Service - Port Connection - Dial/Shared Access - Disconnect Only
K.1.3	AIN SMS Access Service - Port Connection - ISDN Access
K.1.3	AIN SMS Access Service - Port Connection - ISDN Access - Disconnect Only
K.1.4	AIN SMS Access Service - User Identification Codes - Per User ID Code
K.1.4	AIN SMS Access Service - User Identification Codes - Per User ID Code - Disconnect Only
K.1.5	AIN SMS Access Service - Security Card, Per User ID Code, Initial or Replacement
K.1.5	AIN SMS Access Service - Security Card, Per User ID Code, Initial or Replacement - Disc. Only
K.1.6	AIN SMS Access Service - Storage, Per Unit (100 Kilobytes)
K.1.7	AIN SMS Access Service - Session, Per Minute
K.1.8	AIN SMS Access Service - Company Performed Session, Per Minute
K.2	**BELLSOUTH AIN TOOLKIT SERVICE**
K.2.1	AIN Toolkit Service - Service Establishment Charge, Per State, Initial Setup
K.2.1	AIN Toolkit Service - Service Establishment Charge, Per State, Initial Setup - Disconnect Only
K 2.2	AIN Toolkit Service - Training Session, Per Customer
K.2.3	AIN Toolkit Service - Trigger Access Charge, Per Trigger, Per DN, Term. Attempt
K.2.3	AIN Toolkit Service - Trigger Access Charge, Per Trigger, Per DN, Term Attempt - Disc.

ELEMENT NUMBER & DESCRIPTION	
	Only
K.2.4	AIN Toolkit Service - Trigger Access Charge, Per Trigger, Per DN, Off-Hook Delay
K.2.4	AIN Toolkit Service - Trigger Access Charge, Per Trigger, Per DN, Off-Hook Delay - Disc. Only
K.2.5	AIN Toolkit Service - Trigger Access Charge, Per Trigger, Per DN, Off-Hook Immediate
K.2.5	AIN Toolkit Svc - Trigger Access Charge, Per Trigger, Per DN, Off-Hook Immediate - Disc. Only
K.2.6	AIN Toolkit Service - Trigger Access Charge, Per Trigger, Per DN, 10-Digit PODP
K.2.6	AIN Toolkit Service - Trigger Access Charge, Per Trigger, Per DN, 10-Digit PODP - Disc. Only
K.2.7	AIN Toolkit Service - Trigger Access Charge, Per Trigger, Per DN, CDP
K.2.7	AIN Toolkit Service - Trigger Access Charge, Per Trigger, Per DN, CDP - Disconnect Only
K.2.8	AIN Toolkit Service - Trigger Access Charge, Per Trigger, Per DN, Feature Code
K.2.8	AIN Toolkit Service - Trigger Access Charge, Per Trigger, Per DN, Feature Code - Disconnect Only
K.2.9	AIN Toolkit Service - Query Charge, Per Query
K.2.10	AIN Toolkit Service - Type 1 Node Charge, Per AIN Toolkit Subscription, Per Node, Per Query
K.2.11	AIN Toolkit Service - SCP Storage Charge, Per SMS Access Account, Per 100 Kilobytes
K.2.12	AIN Toolkit Service - Monthly report - Per AIN Toolkit Service Subscription
K.2.12	AIN Toolkit Service - Monthly report - Per AIN Toolkit Service Subscription - Disconnect Only
K.2.13	AIN Toolkit Service - Special Study - Per AIN Toolkit Service Subscription
K.2.14	AIN Toolkit Service - Call Event Report - Per AIN Toolkit Service Subscription
K.2.14	AIN Toolkit Service - Call Event Report - Per AIN Toolkit Service Subscription - Disconnect Only
K.2.15	AIN Toolkit Service - Call Event Special Study - Per AIN Toolkit Service Subscription
L.0	ACCESS DAILY USAGE FILE (ADUF)
L.1	ACCESS DAILY USAGE FILE (ADUF)
L.1.1	ADUF, Message Processing, per message
L.1.3	ADUF, Data Transmission (CONNECT:DIRECT), per message
M.0	DAILY USAGE FILES
M.1	ENHANCED OPTIONAL DAILY USAGE FILE
M.1.1	Enhanced Optional Daily usage File: Message Processing, Per Message
M.2	OPTIONAL DAILY USAGE FILE
M.2.1	Optional Daily Usage File: Recording, per Message
M.2.2	Optional Daily Usage File: Message Processing, Per Message
M.2.3	Optional Daily Usage File· Message Processing, Per Magnetic Tape Provisioned
M.2.4	Optional Daily Usage File: Data Transmission (CONNECT:DIRECT), Per Message
N.0	NONRECURRING COSTS
N.1	SERVICE ORDER
N.1.1	Electronic Service Order, per local service request
N.1.1	Electronic Service Order, per local service request - Disconnect Only

ELEMENT NUMBER & DESCRIPTION	
N.1.2	Manual Service Order, per local service request
N.1.2	Manual Service Order, per local service request - Disconnect Only
N.1.5	Order Coordination
N.1.6	Order Coordination for Specified Conversion Time
P.0	UNBUNDLED LOOP COMBINATIONS
P.1	**2-WIRE VOICE GRADE LOOP WITH 2-WIRE LINE PORT (RES, BUS, COIN, PBX)**
P.1.1	2-Wire Voice Grade Loop
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
P.1	**2-WIRE VOICE GRADE LOOP WITH 2-WIRE LINE PORT (CENTREX)**
P.1.1	2-Wire Voice Grade Loop
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
P 1.1	2-W VG Loop with 2-W Line Port (RES, BUS, Coin) - Nonrecurring costs - switch-as-is
P.1.1	2-W VG Loop with 2-W Line Port (PBX) - Nonrecurring costs - switch-as-is
P.1.1	2-W VG Loop with 2-W Line Port (Centrex) - Nonrecurring costs - switch-as-is
P.1.11	Centrex Common Block - Nonrecurring costs - switch-as-is
P 1.2	Exchange Port - 2-Wire Line Port
P.1.17	PBX Subsequent Activity - Change/Rearrange Multiline Hunt Group
P.3	**2-WIRE VOICE GRADE LOOP WITH 2-WIRE DID TRUNK PORT**
	Zone 1
	Zone 2
	Zone 3
P.3.2	Exchange Ports - 2-Wire DID Port for Combinations
P.3.3	2-Wire Voice Grade Loop / 2-Wire DID Trunk Port Combination - Nonrecurring Costs - Switch-as-is
P.3.7	2-Wire DID Subsequent Activity - Add Trunks, Per Trunk
P.4	**2-WIRE ISDN DIGITAL GRADE LOOP WITH 2-WIRE ISDN DIGITAL LINE SIDE PORT**
P.4.1	2-Wire ISDN Digital Grade Loop
	Zone 1
	Zone 2
	Zone 3
	Zone 4
	Zone 5
	Zone 6
P.4.2	Exchange Port - 2-Wire ISDN Line Side Port
P.4.3	2-Wire ISDN Digital Grade Loop / 2-Wire ISDN Line Side Port Comb - Nonrec. Costs - Switch-as-is
P.5	**4-WIRE DS1 DIGITAL LOOP WITH 4-WIRE ISDN DS1 DIGITAL TRUNK PORT**
	Zone 1

	ELEMENT NUMBER & DESCRIPTION
	Zone 2
	Zone 3
P.5.3	4-Wire DS1 Digital Loop / 4-Wire ISDN DS1 Digital Trunk Port Comb. - Nonrec. Costs - Switch-as-is
P.5.5	4-Wire DS1 Dig. Loop/4-Wire ISDN DS1 Dig. Trunk Port Comb - Subseq. Chan. Activation - Per Chan.
P.5.6	4-Wire DS1 Dig. Loop / 4-Wire ISDN DS1 Dig. Trunk Port Comb - Subseq. Inw./2-Way Telephone #s
P.5.7	4-Wire DS1 Dig. Loop / 4-Wire ISDN DS1 Dig. Trunk Port Comb - Subseq. Outw. Telephone #s
P.5.8	4-Wire DS1 Dig. Loop / 4-Wire ISDN DS1 Dig. Trunk Port Comb - Subseq Inw. Telephone #s
P.6	**2-WIRE VOICE GRADE EXTENDED LOOP WITH DEDICATED DS1 INTEROFFICE TRANSPORT**
P.6-1	First 2W VG in DS1
	Zone 1
	Zone 2
	Zone 3
	P.17.1 Nonrecurring Cost for Extended Loop or Local Channel and Interoffice Combination Switch-As-Is
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Combination Switch-As-Is - Disc Only
	Nonrecurring Cost - 2-wire VG Extended Loop with Dedicated DS1 Interoffice Transport - NEW
	Nonrec. Cost - 2-wire VG Extended Loop with Dedicated DS1 Interoffice Transport - NEW - Disc. Only
P.6-2	D.4.1 Interoffice Transport - Dedicated - DS1 - Per Mile
P.6-3	Additional 2W VG in same DS1
	Zone 1
	Zone 2
	Zone 3
	P.17.16 Nonrecurring Cost - New Feature Activation for Combination Use Only
P.7	**4-WIRE VOICE GRADE EXTENDED WITH DEDICATED DS1 INTEROFFICE TRANSPORT**
P 7-1	First 4W VG in DS1
	Zone 1
	Zone 2
	Zone 3
	P.17.1 Nonrecurring Cost for Extended Loop or Local Channel and Interoffice Combination Switch-As-Is
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Combination Switch-As-Is-Disc Only
	Nonrecurring Cost - 4-wire VG Extended Loop with Dedicated DS1 Interoffice Transport - NEW
	Nonrecurring Cost - 4-wire VG Extended Loop with Dedicated DS1 Interoffice Transport - NEW -Disc. Only
P.7-2	D.4.1 Interoffice Transport - Dedicated - DS1 - Per Mile
P 7-3	Additional 4W VG in same DS1
	Zone 1
	Zone 2
	Zone 3
	P.17.16 Nonrecurring Cost - New Feature activation for Combination Use Only
P.8	**4-WIRE 56 OR 64 KBPS EXTD. DIGITAL LOOP WITH DEDICATED DS1 INTEROFFICE TRANSPORT**

ELEMENT NUMBER & DESCRIPTION	
P.8-1	First 4W 56/64 in DS1
	Zone 1
	Zone 2
	Zone 3
	P.17.1 Nonrecurring Cost for Extended Loop or Local Channel and Interoffice Combination Switch-As-Is
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Combination Switch-As-Is- Disc. Only
	Nonrec. Cost - 4-wire 56 or 64 Kbps Extended Loop with Dedicated DS1 Interoffice Transport - NEW
	Nonrec. Cost - 4-wire 56 or 64 Kbps Extd Loop with Ded. DS1 Interoffice Transport - NEW - Disc Only
P.8-2	D.4.1 Interoffice Transport - Dedicated - DS1 - Per Mile
P.8-3	Additional 4W 56/64 in same DS1
	Zone 1
	Zone 2
	Zone 3
	P.17.16 Nonrecurring Cost - New Feature activation for Combination Use Only
P.11	**4-WIRE DS1 DIGITAL EXTENDED LOOP WITH DEDICATED DS1 INTEROFFICE TRANSPORT**
P.11-1	Fixed
	Zone 1
	Zone 2
	Zone 3
	P.17.1 Nonrecurring Cost for Extended Loop or Local Channel and Interoffice Combination Switch-As-Is
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Combination Switch-As-Is- Disc. Only
	Nonrec. Cost - 4-wire DS1 Digital Extended Loop with Dedicated DS1 Interoffice Transport - NEW
	Nonrec. Cost - 4-wire DS1 Digital Extd. Loop with Ded. DS1 Interoffice Transp. - NEW - Disc. Only
P.11-2	D.4.1 Interoffice Transport - Dedicated - DS1 - Per Mile
P.13	**4-WIRE DS1 DIGITAL EXTENDED LOOP WITH DEDICATED DS3 INTEROFFICE TRANSPORT**
P.13-1	First DS1 in DS3
	Zone 1
	Zone 2
	Zone 3
	P.17.1 Nonrecurring Cost for Extended Loop or Local Channel and Interoffice Combination Switch-As-Is
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Combination Switch-As-Is- Disc Only
	Nonrec. Cost - 4-wire DS1 Digital Extd. Loop with Ded. DS3 Interoffice Transport- New
	Nonrec. Cost - 4-wire DS1 Digital Extd. Loop with Ded. DS3 Interoffice Transport- New - Disc. Only
P.13-2	D.6.1 Interoffice Transport - Dedicated - DS3 - Per Mile
P.13-3	Additional DS1 in same DS3
	Zone 1
	Zone 2
	Zone 3
	P.17.16 Nonrecurring Cost - New Feature

ELEMENT NUMBER & DESCRIPTION	
	Activation for Combination Use Only
P.15	**4-WIRE DS1 DIGITAL LOOP WITH DDITS PORT**
	4-Wire DS1 Digital Loop with DDITS Port - switch-as-is
	Zone 1
	Zone 2
	Zone 3
P.15.3	4-wire DS1 Digital Loop / DDITS Trunk Port Combination - Nonrecurring Costs - Switch-as-is
P.15.5	4-Wire DS1 Dig. Loop / DDITS Trunk Port Comb. -Subsequent Channel Activation - Per Channel
P.16	**2-WIRE LOOP/ 2 WIRE VOICE GRADE IO TRANSPORT/ 2 WIRE PORT**
P.16-1	Fixed - Switch-as-is
	Zone 1
	Zone 2
	Zone 3
P.16.2	D.2.1 Interoffice Transport - Dedicated - 2 W VG per mile
P.16.3	2W VG Loop / 2W VG IO Transport / 2W Port Combination - Nonrecurring Costs - Switch-as-is
P.17	**Nonrecurring Cost for Extended Loop or Local Channel and Interoffice Combination**
P.17.1	Nonrecurring Cost for Extended Loop or Local Channel and Interoffice Combination Switch -As-Is
P.17.1	Nonrec. Cost for Extended Loop or Local Channel and Interoffice Comb. Switch -As-Is - Disc. Only
P.17.4	Nonrecurring Cost - New DS1 Interoffice Facility for Combination Use Only
P.17.4	Nonrecurring Cost - New DS1 Interoffice Facility for Combination Use Only - Disconnect Only
P.17.5	Nonrecurring Cost - New DS1 Interoffice Facility w/ 1/0 MUXing for Combination Use Only
P 17 5	Nonrec Cost - New DS1 Interoffice Facility w/ 1/0 MUXing for Comb. Use Only - Disc. Only
P.17.7	Nonrecurring Cost - New DS3 or STS-1 Interoffice Facility for Combination Use Only
P 17.7	Nonrec. Cost - New DS3 or STS-1 Interoffice Facility for Combination Use Only - Disconnect Only
P.17.8	Nonrecurring Cost - New DS3 or STS-1 w/ 3/1 MUXing Interoffice Facility for Combination Use Only
P.17.8	Nonrec. Cost - New DS3 or STS-1 w/ 3/1 MUXing Interoffice Fac. for Comb. Use Only - Disc. Only
P.17.10	Nonrecurring Cost - New VG Local Loop for Combination Use Only
P.17.10	Nonrecurring Cost - New VG Local Loop for Combination Use Only - Disconnect Only
P.17.11	Nonrecurring Cost - New DS1 Local Loop for Combination Use Only
P.17.11	Nonrecurring Cost - New DS1 Local Loop for Combination Use Only - Disconnect Only
P.17.12	Nonrecurring Cost - New DS3 or STS-1 Local Loop for Combination Use Only
P.17.12	Nonrecurring Cost - New DS3 or STS-1 Local Loop for Combination Use Only - Disconnect Only
P.17.16	Nonrecurring Cost - New Feature Activation for Combination Use Only
P.17.17	Nonrecurring Cost - New DS0 IOF for Combination Use Only
P.17.17	Nonrecurring Cost - New DS0 IOF for Combination Use Only - Disconnect Only

ELEMENT NUMBER & DESCRIPTION	
P.23	**2-WIRE VOICE GRADE EXTENDED LOOP/2 WIRE VOICE GRADE INTEROFFICE TRANSPORT**
P.23-1	Fixed
	Zone 1
	Zone 2
	Zone 3
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Comb. - Switch-As-Is
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Comb. - Switch-As-Is - Disc. Only
	Nonrec. Cost - 2-wire VG Extended Loop with 2-wire VG Interoffice Transport - NEW
	Nonrec. Cost - 2-wire VG Extd. Loop with 2-wire VG Interoffice Transport - NEW - Disc. Only
P.23-2	D.2.1 Interoffice Transport - Dedicate - 2-Wire Voice Grade - Per Mile
P.24	**4-WIRE VOICE GRADE EXTENDED LOOP/ 4-WIRE VOICE GRADE INTEROFFICE TRANSPORT**
P 24-1	Fixed
	Zone 1
	Zone 2
	Zone 3
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Comb. - Switch-As-Is
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Comb. - Switch-As-Is - Disc. Only
	Nonrec. Cost - 4-wire VG Extended Loop with 4-wire VG Interoffice Transport - NEW
	Nonrec. Cost - 4-wire VG Extd. Loop with 4-wire VG Interoffice Transport - NEW - Disc. Only
P.24-2	D.12.1 Interoffice Transport - Dedicated - 4-Wire Voice Grade - Per Mile
P.25	**DS3 DIGITAL EXTENDED LOOP WITH DEDICATED STS1 INTEROFFICE TRANSPORT**
P.25-1	Fixed
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Comb. - Switch-As-Is
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Comb. - Switch-As-Is - Disc. Only
	Nonrec. Cost - DS3 Digital Extd. Loop with Ded. DS3 Interoffice Transport - NEW
	Nonrec. Cost - DS3 Digital Extd. Loop with Ded. DS3 Interoffice Transport - NEW - Disc. Only
P.25-2	D.6.1 Interoffice Transport - Dedicated - DS3 - Per Mile
P.25-3	A.16.2 High Capacity Unbundled Local Loop - DS3 - Per Mile
P.26	**STS1 DIGITAL EXTENDED LOOP WITH DEDICATED STS1 INTEROFFICE TRANSPORT**
P.26-1	Fixed
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Comb. - Switch-As-Is
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Comb. - Switch-As-Is - Disc. Only
	Nonrec. Cost - STS1 Digital Extd Loop with Ded STS1 Interoffice Transport - NEW

ELEMENT NUMBER & DESCRIPTION	
	Nonrec Cost - STS1 Digital Extd. Loop with Ded. STS1 Interoffice Transport - NEW - Disc. Only
P.26-2	D.10.1 Interoffice Transport - Dedicated - STS-1 - Per Mile
P.26-3	Per Mile - Loop
	A.16.16 High Capacity Unbundled Local Loop - STS-1 - Per Mile
P.50	**4-WIRE DS1 LOOP WITH CHANNELIZATION WITH PORT**
P.50.VG1	First Voice Grade in DS1 - Switch-as-is
	Zone 1
	Zone 2
	Zone 3
P.50.VG2	Additional Voice Grade in same DS1
P.50 DID1	First 2-Wire DID in DS1 -Switch-as-is
	Zone 1
	Zone 2
	Zone 3
P50DID2	Additional 2-Wire DID in same DS1
P50ISDN-1	First ISDN in DS1 - Switch-as-is
	Zone 1
	Zone 2
	Zone 3
P50ISDN2	Additional ISDN in same DS1
P.50.1	4-Wire DS1 Loop/Channelization Port Combination - Nonrecurring Costs - Switch-as-is
P.50.4	4-Wire DS1 Loop/Channelization Port Combination - Subsequent Activity - Add Lines - Per Line
P.50.5	4-Wire DS1 Loop/Channelization Port Combination - Subsequent Activity - Add Trunks - Per Trunk
P.51	**2-WIRE ISDN EXTENDED LOOP WITH DS1 INTEROFFICE TRANSPORT**
P 51-1	First 2-Wire ISDN in DS1
	Zone 1
	Zone 2
	Zone 3
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Comb. - Switch-as-is
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Comb. - Switch-as-is -Disc Only
	Nonrec. Cost - 2-Wire ISDN Extd. Loop with DS1 Interoffice Transport - NEW
	Nonrec. Cost - 2-Wire ISDN Extd. Loop with DS1 Interoffice Transport - NEW - Disc. Only
P.51-2	D 4.1 Interoffice Transport - Dedicated - DS1 - Per Mile
P 51-3	Additional 2-Wire ISDN in same DS1
	Zone 1
	Zone 2
	Zone 3
	P 17.16 Nonrec. Cost - New Feature Activation for Combination Use Only

ELEMENT NUMBER & DESCRIPTION	
P.52	**4-WIRE DS1 DIGITAL EXTENDED LOOP WITH DEDICATED STS-1 INTEROFFICE TRANSPORT**
P.52-1	First in DS1 in STS1
	Zone 1
	Zone 2
	Zone 3
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Comb. - Switch-as-is
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Comb. - Switch-as-is -Disc. Only
	Nonrec. Cost - 4-Wire DS1 Digital Extd. Loop with Ded STS-1 Interoffice Transport - NEW
	Nonrec. Cost - 4-Wire DS1 Digital Extd. Loop with Ded. STS-1 Interoffice Transport - NEW - Disc. Only
P.52-2	D.10.1 Interoffice Transport- Dedicated - STS-1 - Per Mile
P.52-3	Additional DS1 in same STS1
	Zone 1
	Zone 2
	Zone 3
	P.17.16 Nonrec. Cost - New Feature Activation for Combination Use Only
P.53	**2-WIRE VOICE GRADE EXTD LOOP WITH DED DS1 INTEROFFICE TRANSPORT W/ 3/1 MUX**
P.53-1	First 2-Wire VG in First DS1 in DS3
	Zone 1
	Zone 2
	Zone 3
	P.17.1 Nonrec. Cost for Extd. Loop of Local Channel and Interoffice Combination - Switch-as-is
	P.17.1 Nonrec Cost for Extd. Loop of Local Channel and Interoffice Comb. - Switch-as-is- Disc Only
	Nonrec. Cost - 2-Wire VG Extd. Loop with Ded. DS1 Interoffice Transport with 3/1 Mux-NEW
	Nonrec. Cost - 2-Wire VG Extd. Loop with Ded. DS1 Interoffice Trans. with 3/1 Mux-NEW-Disc Only
P.53-2	D.4.1 Interoffice Transport - Dedicated - DS1 - Per Mile
P.53-3	Additional 2-Wire VG in same DS1
	Zone 1
	Zone 2
	Zone 3
	P.17.16 Nonrec. Cost - New Feature Activation for Combination Use Only
P.53-4	Additional DS1 in same DS3
	P.17.16 Nonrec. Cost - New Feature Activation for Combination Use Only
P.54	**4-WIRE VOICE GRADE EXTENDED LOOP WITH DS1 INTEROFFICE TRANSPORT W/ 3/1 MUX**
P.54-1	First 4-Wire VG in First DS1 in DS3
	Zone 1
	Zone 2
	Zone 3

ELEMENT NUMBER & DESCRIPTION	
	P.17.1 Nonrec. Cost for Extd. Loop of Local Channel and Interoffice Combination - Switch-as-is
	P.17.1 Nonrec. Cost for Extd. Loop of Local Channel and Interoffice Comb. - Switch-as-is- Disc. Only
	Nonrec. Cost - 4-Wire VG Extd. Loop with Ded. DS1 Interoffice Trans. with 3/1 Mux - NEW
	Nonrec. Cost - 4-Wire VG Extd. Loop with Ded. DS1 Interoffice Trans. with 3/1 Mux - NEW - Disc Only
P.54-2	D.4.1 Interoffice Transport - Dedicated - DS1 - Per Mile
P 54-3	Additional 4-Wire VG in same DS1
	Zone 1
	Zone 2
	Zone 3
	P.17.16 Nonrec. Cost - New Feature Activation for Combination Use Only
P.54-4	Additional DS1 in same DS3
	P.17.16 Nonrec. Cost - New Feature Activation for Combination Use Only
P.55	**4-WIRE 56 OR 64 KBPS EXTD DIGITAL LOOP WITH DED. DS1 INTEROFFICE TRANS. W/ 3/1 MUX**
P.55-1	First 4-Wire in First DS1 in DS3
	Zone 1
	Zone 2
	Zone 3
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Comb. - Switch-as-is
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Comb. - Switch-as-is -Disc. Only
	Nonrec. Cost- 4-Wire 56 or 64 Kbps Extd Loop w/Ded. DS1 Trans. w/ 3/1 Mux- NEW
	Nonrec. Cost- 4-Wire 56 or 64 Kbps Extd Loop w/Ded. DS1 Trans. w/ 3/1 Mux- NEW - Disc. Only
P.55-2	D.4.1 Interoffice Transport - Dedicated - DS1 - Per Mile
P 55-3	Additional 4-Wire in same DS1
	Zone 1
	Zone 2
	Zone 3
	P.17.16 Nonrec. Cost - New Feature Activation for Combination Use Only
P.55-4	Additional DS1 in same DS3
	P.17.16 Nonrec. Cost - New Feature Activation for Combination Use Only
P.56	**2-WIRE ISDN EXTENDED LOOP WITH DS1 INTEROFFICE TRANSPORT W/ 3/1MUX**
P.56-1	First 2-Wire in First DS3
	Zone 1
	Zone 2
	Zone 3

	ELEMENT NUMBER & DESCRIPTION
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Comb. - Switch-as-is
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Comb. - Switch-as-is -Disc. Only
	Nonrec. Cost - 2-Wire ISDN Extd Loop with Ded. DS1 Interoffice Transport with 3/1 Mux - NEW
	Nonrec. Cost - 2-Wire ISDN Extd Loop w/ Ded. DS1 Interoffice Trans. w/ 3/1 Mux - NEW - Disc. Only
P.56-2	D.4.1 Interoffice Transport - Dedicated - DS1 - Per Mile
P.56-3	Additional 2-Wire in same DS1
	Zone 1
	Zone 2
	Zone 3
	P.17.16 Nonrec. Cost - New Feature Activation for Combination Use Only
P.56-4	Additional DS1 in same DS3
	P.17.16 Nonrec. Cost - New Feature Activation for Combination Use Only
P.57	**4-WIRE DS1 DIGITAL EXTD LOOP WITH DED. DS1 INTEROFFICE TRANSPORT W/ 3/1/ MUX**
P.57-1	First 4-Wire DS1 in DS3
	Zone 1
	Zone 2
	Zone 3
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Comb. - Switch-as-is
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Comb. - Switch-as-is - Disc. Only
	Nonrec. Cost - 4-Wire DS1 Digital Extd. Loop with Ded. DS1 Interoffice Transport with 3/1 Mux - NEW
	Nonrec. Cost- 4-Wire DS1 Dig Extd. Loop with Ded DS1 Interoffice Trans. w/ 3/1 Mux-NEW -Disc Only
P.57-2	D.4.1 Interoffice Transport - Dedicated - DS1 - Per Mile
P.57-3	Additional 4-Wire DS1 in same DS3
	Zone 1
	Zone 2
	Zone 3
	P.17.16 Nonrec. Cost - New Feature Activation for Combination Use Only
P.58	**4-WIRE 56 OR 64 KBPS DIGITAL EXTENDED LOOP WITH DS0 INTEROFFICE TRANSPORT**
P.58-1	Fixed
	Zone 1
	Zone 2
	Zone 3
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Comb. - Switch-as-is
	P.17.1 Nonrec. Cost for Extd. Loop or Local Channel and Interoffice Comb. - Switch-as-is -Disc. Only
	Nonrec Cost- 4-Wire 56 or 64 Kbps Dig. Extd Loop w/ Ded DS0 Interoffice Transport - NEW
	Nonrec. Cost- 4-Wire 56 or 64 Kbps Dig. Extd Loop w/ Ded DS0 Interoffice Trans - NEW-

ELEMENT NUMBER & DESCRIPTION	
	Disc. Only
P.58-2	D.3.1 Interoffice Transport - Dedicate -DS0 - Per Mile
Q.0	**D4 CHANNEL BANKS**
Q.1	**D4 CHANNEL BANKS CENTRAL OFFICE**
Q.1.1	D4 Channel Bank Inside CO - System
Q.1.3	Unbundled Loop Concentration - ISDN (Brite Card)
Q.1.4	Unbundled Loop Concentration - POTS Card

BELLSOUTH
TELECOMMUNICATIONS, INC.
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ACCESS SERVICES TARIFF

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ACCESS SERVICES TARIFF

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K.

SUBJECT	SECTION

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Q.

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Y.

SUBJECT	SECTION

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Z.

SUBJECT	SECTION

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H.

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J.

SUBJECT	SECTION

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K.

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Q.

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U.

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V.

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X.

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Z.

SUBJECT	SECTION

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G.

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J.

SUBJECT	SECTION
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(DELETED)		(D)
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Annus horribilis? However you say it, CLECs have had a bad year

By Mark H. Reddig, editor, *CLEC.com*

When England's Queen Elizabeth, while making a speech to Parliament, wanted to describe the worst year of her life, she used the term *annus horribilis* – Latin for "horrible year."

Although they haven't had any royal couples divorce, CLECs may well take some cues from Her Majesty when describing their own recent tough times.

In the past 12 months, the competitive firms have had their own *annus horribilis*. More than a dozen competitive-telecom firms, CLECs and others, have filed for Chapter 11, been delisted from the Nasdaq or even closed down completely and had their assets auctioned to the highest bidders during that time.

Blame has been flying everywhere, from the downturn in the market, to RBOC intransigence, lax regulatory enforcement of competitive rules, operational problems at the CLECs themselves, and on and on.

Experts may – and do – disagree on the reason for the current trend, but one thing is clear: The competitive, local-telecom industry, only a few years old, is undergoing a major transition that will have a profound effect on its future.

ASK NOT FOR WHOM THE BELL TOLLS ...

The first signs of a problem in the CLEC sector came nearly a year ago.

In May 2000, Vancouver, Wash.-based CLEC GST Telecommunications announced it had filed for Chapter 11 bankruptcy protection and had written a letter of intent to sell substantially all of its assets to fellow CLEC Time Warner Telecom.

It was August before another CLEC joined GST. Late that month, New Orleans-based CLEC firm American Metrocomm Corp. filed for Chapter 11 bankruptcy protection. That filing included a number of AMC subsidiaries.

By the end of 2000, the pace of bankruptcies in the CLEC segment took off. More than a dozen CLEC firms have filed for bankruptcy protection since November:

- In November, ICG Communications Inc , an Englewood, Colo.-based CLEC.
- In December, Waltham, Mass.-based CLEC Digital Broadband Communications.

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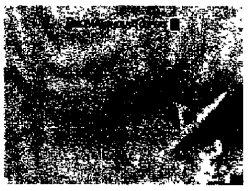
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- In December, NETtel integrated-communications provider.
- In January, San Francisco-based data CLEC NorthPoint Communications.
- In February, Missouri-based CLEC Omniplex Communications Group.
- In March, Herndon, Va.-based CLEC firm e.spire Communications Inc., a provider of local, long-distance and DSL services.
- In March, Austin, Texas-based data CLEC ConnectSouth Communications.
- In March, Bellevue Wash.-based Advanced Radio Telecom.
- In April, Reston, Va.-based Pathnet Telecommunications Inc., a local-services networking firm that offered connectivity to other carriers.
- In April, Mobile, Ala.-based Actel Integrated Communications Inc., an integrated-communications provider that offered services in several southern states.
- In April, New York City-based fixed-wireless CLEC WinStar Communications Inc.
- In April, Louisville, Colo.-based data CLEC @Link Networks.
- In April, Roswell, Ga.-based CLEC Telscape International Inc , a firm that specialized in services for the Hispanic community.
- In May, Westbury, N.Y.-based CLEC North American Telecommunications Corp., also known as Natelco.
- In May, Vienna, Va.-based fixed-wireless CLEC Teligent Inc

The problems have been especially pronounced in some segments of the CLEC industry.

The DSL sector has received particularly bad press, despite that several of its chief players – most notably Santa Clara, Calif.-based Covad Communications Group Inc. and Englewood, Colo.-based Rhythms NetConnections Inc. – continue to avoid Chapter 11, even after having been delisted from the Nasdaq.

Several of the banktupcy filings have been among smaller players in that segment. For example, Herndon, Va.-based CLEC e.spire Communications Inc., a provider of local, long-distance and DSL services, filed for Chapter 11 protection with the U.S. Bankruptcy Court for the District of Delaware in March. And Louisville, Colo.-based @Link Networks announced in a letter to its customers in April that it had filed for Chapter 11 bankruptcy protection.

But the big hit came in January, when San Francisco-based data CLEC NorthPoint Communications filed a petition for Chapter 11 protection with the U.S. Bankruptcy Court for the Northern District of California in San Francisco. The company said at that time that it intended to sell its business and assets, and was seeking approval of open bid procedures from the U.S. Bankruptcy Court.

But DSL has not been alone among CLEC segments in taking a big PR hit. Fixed wireless, another relatively new technology in the market, has seen several major players hit the skids.

For example, Bellevue Wash.-based Advanced Radio Telecom quietly filed its petition for Chapter 11 bankruptcy protection in March. The day before it filed, the Nasdaq stock market halted trading in its stock.

In April, New York City-based fixed wireless CLEC WinStar Communications Inc. voluntarily filed for protection under Chapter 11 of the U.S. Bankruptcy Code with the U.S. Bankruptcy Court for the District of Delaware. The same day it announced the filing, WinStar filed a lawsuit against Murray Hill, N.J.-based Lucent Technologies Inc , alleging breach of the telecom-equipment supplier's obligations under its agreement with WinStar.

And in May, Vienna, Va.-based fixed-wireless CLEC Teligent Inc., an early entrant in competitive telecommunications, filed for Chapter 11 bankruptcy protection. The firm said at the time that it planned to reorganize its capital structure under Chapter 11 protection. Earlier that month, the provider laid off about 800 workers and the Nasdaq stock market halted trading in its stock.

BUSINESS PLAN? WHAT BUSINESS PLAN?

A number of experts point to flawed business plans when discussing recent CLEC failures. The basic premise of some competitive firms was based on questionable assumptions, they say, or the plans were constructed with virtually no information about the markets they hoped to serve.

Several of those failed approaches stand out, said Craig Clausen, senior vice president and COO of Chicago-based CLEC research firm New Paradigm Resources Group.

Many CLECs, he said, took a "Field of Dreams" approach to the market, believing that if they built networks, customers would simply show up.

Another was what he called the "MCI Mentality." When the long-distance market was opened up, MCI quickly gained 10 percent to 15 percent of the market, he said, to a great extent from "people who were pissed off at AT&T and just wanted to exercise their freedom of choice." Some CLEC executives thought that the same process would occur when local markets opened up, and that consumers would simply abandon the RBOCs en masse out of anger – something consumers clearly did not do.

Yet another was the "Bright and Shiny" system, Clausen said, where CLECs said, "Let's make sure we touch the biggest bright and shiny buildings in each city, and we'll be fine, we'll gather enough customers."

Those early CLECs would run fiber in Chicago, for example, to the Sears Towers and the Amoco Building without doing any serious

market assessment to determine whether a need or desire existed for their services in those facilities.

"Well," Clausen said, "that didn't work out."

But the most serious philosophical problems were in-house, going down to the level of how the companies were assembled and operated.

Some firms, he said, "had people in the executive suite who were not particularly focused on building a company."

"At times, with certain CLECs, that was an issue, not having people who were interested in building a company, but rather building an asset that could be flipped," he said.

Those managers concentrated not on creating a system that would sustain the business in the long run, but in creating a set of assets and a customer base that could be brought together quickly, valued and sold to the benefit of stockholders and investors.

The philosophy seemed to be, "You know you're going to be out the door in 12 to 24 months when you've flipped the company to somebody else and let them worry about it," Clausen said.

"There's a difference there," he added. "Building a company takes a longer-term perspective. Cobbling together an Access database solution to manage your inventory is a little short run."

Many of those managers were inspired, Clausen said, by such events as the WorldCom acquisition of MFS Communications.

"Suddenly it was, whoa! Look what these guys go for – billions of dollars," he said. "All we have to do is be there, too ... and someone with big dollars will come in a gobble us up, too."

Another difficulty plaguing the CLEC sector was that too many of the competitive firms were targeting the same lucrative business customers. While that technique could work for one competitor, experts noted, it could hardly work when a large number all target the same niche market.

Kenneth Brown, director of technology programs at the Arlington, Va.-based Alexis de Tocqueville Institution, in a white paper titled "Understanding the CLEC Crisis," cited figures from the 1992 U.S. Census indicating that of the 5.5 million businesses in the United States, 668 are businesses with more than 10,000 employees.

"However, despite the relatively small scope of this market, many startup CLECs chose large-business customers as their target market, assuming that they would be able to generate significant revenue with the least amount of sales activity," Brown said in the paper.

Brown said those CLECs underestimated the complexities involved in providing service to those firms, as well as competition from other CLECs and the lengths the RBOCs would go to keep their hold on the large-business customers.

"Effective market selection must consider the accessibility and defensibility of the customer base, as well as the operational requirements that need to be met in order to serve that customer base," Brown wrote. "When competing against an established company that holds a majority of the market, it is wise to select a customer segment that is both accessible and defensible."

Or, in simpler terms, customers should be easy to get and easy to keep.

"Failing to see the acquisition of customers as one of the key challenges of the business proved detrimental for many companies," Brown said in the white paper. "Companies overestimated their ability to acquire the needed volume of customers at a reasonable cost."

John Malone, president and CEO of The Eastern Management Group, a management-consulting firm based in Bedminster, N.J., said that in some markets – he cited major cities in Florida – too many CLECs were operating in the same geographic area, targeting the same customer base.

Malone pointed to industry data that indicated an average of 15 CLECs operated in each Tier I market in the state.

"In the largest cities with a population of 3 million or more, if each CLEC puts in its own switch and needs 6,000 business customers to be profitable, this accounts for about 75 percent of the market," Malone said in a release. "In cities of about 2 million that still have an average of 15 CLECs, the number of required business customers exceeds the actual number of customers available.

"This does not even take in to account the presence of the incumbent," Malone said. "In other words, not every company can or will succeed with this level of competition for business customers."

ROLL OUT THE BARREL ...

But how crowded the market is, or what the competition is, are only part of the picture. How a firm rolls out its service can also have a big effect on whether it succeeds or fails, Roderick Beck, telecom analyst with New York investment bank Brill Capital, said.

Firms such as Dallas-based Allegiance Telecom sequentially rolled out service, he said, first opening in one market, then another, then another. But some providers, including some of the large DSL firms, opened in a large number of markets simultaneously, which means they developed massive capital expenditures with no revenue.

The advantage of the sequential model, Beck said, is that it allows older markets to mature – and become profitable – before new markets come on line. In the all-at-once model, during a large part of the company's timeline, none of its markets are profitable.

And that means that in bad times, the sequential model can offer a company a shelter from the market storm, Beck said. If, as they have recently, the markets turn against a firm, it can withdraw from more costly and less profitable new markets and concentrate on its older, more profitable regions. Meanwhile, the firms that took the all-at-once approach, in some cases having no profitable markets, have nowhere to hide.

"A sequential rollout gives you a lot better chance of navigating the financial waters," Beck said. "A lot of companies failed because they developed a land-grab mentality."

That also helps a firm when it has to go back to investors for more cash to fund its business plan or for further expansion.

"It's very nice to go to investors the way Time Warner Telecom can and say 'I have a 70-percent EBITDA margin'," Beck said. "What is SBC's EBITDA margin? Thirty percent.

"If you show that to investors, particularly in rough times like now, that makes raising money a whole lot easier," Beck said.

SMOOTH OPERATORS

Not all the troubles in the CLEC segment have their roots in the outside world. For some competitive firms, internal, operational issues are at the root of the current difficulties.

Two key operational issues have particularly haunted the troubled CLECs, NPRG's Clausen said. The first is the ability – or inability – to provision service.

"If you can't provision lines, you can't access revenues from those customers," he said. "That was something the CLECs underestimated tremendously."

A significant number of firms entered the CLEC space expecting local competition would be similar to entry into long-distance competition, a "fairly simple" affair, he said.

"[Early CLECs thought] this will be simple, we'll put in a class 5 switch, we'll plug it into the ILEC's network, and we'll all be fat, dumb and happy," Clausen said.

However, it turned out to be much more difficult than they expected.

For one thing, it was much harder to turn up a class 5 switch than it

For one thing, it was much harder to turn up a class 5 switch than it was to hook into the long-distance market. Other firms, such as WinStar, had difficulties because of the nature of their technology.

Another barrier was interconnection.

"Interconnection issues took a long time to iron out," Clausen said. "And to a certain extent, they're still not ironed out. There's still delays in getting an ILEC's lines cut over to your network."

Yet another provisioning challenge was turning up service for individual customers. Many CLEC customers still see significant lag times – and many, he said, are not willing to wait.

The other operational barrier that faced CLECs was the lack of available, complete OSS packages early in the segment's history.

"There was no package generally available for these guys to use to do everything from customer care to inventories to billing," Clausen said. "That proved to be a tremendous problem."

A smattering of vendors were producing individual pieces of the OSS puzzle, but few fully integrated packages were produced at that time, and many of those were not designed with a small startups like CLECs in mind.

Some CLECs were so desperate to bring order to their systems they even developed "home-grown" systems, Clausen said, even using modified Access databases to run their systems – a bad idea for a firm that wants to deploy thousands of lines per day in a heavy growth phase.

One firm, e.spire, even went for a long period without billing up to 20 percent of its customers because of back-office-system problems.

"That does reflect the importance of having a solid well-integrated operational support system," Clausen said.

Within the OSS, one area of particular importance is electronic bonding. Allegiance is a good example of why those systems are so vital, Clausen said. The Dallas-based firm, one of the most successful CLECs, is perhaps the best in the field at bonding.

"Without electronic bonding, without a true interface ... it led to a whole host of problems," Clausen said. "You couldn't bill customers, you couldn't take care of them, you couldn't manage your inventory, you didn't know what the hell you had, basically."

But even for firms that conquer such operational challenges, other barriers remain. And among those are the ever-present incumbent carriers.

EVERY TIME A BELL RINGS

EVERY TIME A BELL RINGS ...

A considerable amount of hue and cry has erupted from CLECs that are in trouble that their difficulties are due, in part or in whole, to roadblocks thrown up by the RBOCs and a lack of help from regulatory agencies.

"To their peril, new CLECs did not anticipate that competing ILECs would be relentlessly aggressive in an effort to keep their market share and local customers," the Tocquiville Institution's Brown said in his white paper.

RBOCs, Brown said, had little incentive to improve their service to the CLECs, since delays in serving CLEC customers only benefited the RBOC by making it more attractive to customers.

"When service issues first began to occur, the CLECs, failing to comprehend the RBOCs' lack of incentive for improving service, attempted to work problems out with the incumbents," Brown said. "When this method failed, startup companies discovered that they had tremendously underestimated the influence the incumbent providers held over the legal and regulatory environment in the telecommunications industry. When an RBOC did not adequately fulfill its obligation, there was no true method of recourse."

Initially, NPRG's Clausen said, part of the problem with RBOCs was due to "genuine confusion." The incumbents had never had to hook into a competitive network before; they had 100 years of government-protected monopoly behind them, with the only interconnections being to firms that covered separate, nearby geographical regions, or to long-distance networks.

Now, suddenly, they had a whole series of competitors, often covering the same geographical ground, and wanting access to the most delicate places in the RBOCs' network – the central office.

"Of course, they got understandably queasy about that," Clausen said. "'You want to come into our brain room and you want to muck around?' So they threw up barriers. It was almost a reactive mode."

Then the thinking moved, Clausen believes, to a higher, executive, strategic level, where the firms decided they could not allow competitors in.

That strategic thinking came back to the operational level, where suddenly, CLEC technicians coming into an RBOC central office could face restrictions that ran from the sensible to the ridiculous – for example, Clausen said, a CLEC technician working in a central office might be told he couldn't use the RBOC bathroom, or that he had to use separate parking. Or the RBOC might argue about whether CLEC equipment had to be caged, or uncaged.

"There was some genuine confusion," Clausen said. But some firms

said to themselves, "Gee, maybe this genuine confusion can work to our advantage, so let's perpetuate it a little further."

But while problems with the RBOCs were "certainly a factor" for CLECs, "does it explain these CEOs out of their responsibilities? No," Ryon Acey, vice president at Richmond, Va.-based securities firm BB&T Capital Markets, said. "Flat out, there were some very poor decisions made on the part of management, and nothing they can say can change that."

If RBOCs, the FCC and the PUCs were the primary factors in CLEC failures, Acey said, then why are some competitive carriers doing so well? That brings us to our next target, the financial markets.

BLAME IT ON WALL STREET ... OR NOT

The troubled financial markets have been another frequent target of finger-pointing. The CLEC crisis, after all, has coincided with the decline of the tech-heavy Nasdaq index.

But while the financial markets certainly have not made things comfortable for CLECs, Acey rejected the idea that some firms would not have gone under if the good times had continued to roll.

"It was just a matter of time," he said. "I don't think it took a market to fall apart for investors to figure that out. They would have figured that out sooner or later."

Instead, Acey points to internal financial concerns as a more important source of the failed CLECs' woes.

He sees three principal problems in common at CLECs that have fallen into bankruptcy, he said:

- First, the firms did not have "the appropriate capital structure," meaning they were too highly leveraged;
- Second, the firms were depending on revenue that was not "end-user focused," meaning their business had no direct connection to the actual user of the telecom services.
- Third, the firms didn't fully fund their business plans.

"The name of the game has always been pre-fund your business plan," he said. "And I think we all forgot that."

Acey pointed to MFS Communications, now part of WorldCom. In the mid-1980s, several firms had better business plans than MFS, he said, but MFS survived because it was fully funded from the beginning.

And because of that, "They didn't need cash when the markets weren't willing to give," he said. "They were pre-funded."

Some newer firms went into the market, brought in some venture

capital, but didn't fully fund their business plans, expecting that the market would provide more when needed. The key error those firms made, he said, was to plan their growth based on that expectation.

That led to a number of firms with partially constructed networks and no cash to finish the buildout because the capital markets shut down, Acey said. "That left a lot of stranded assets."

On the revenue side, Acey said some carriers, rather than focusing on long-term end-user-focused revenue streams, targeted revenue streams that were much easier to provision and to generate revenue from in the short term.

"The poster child for that is ICG," Acey said. "They went after managed modem lines like gangbusters, and discovered that that's a tough business to scale. They aggressively went after that business at the expense of proper provisioning and scaling that business in a manageable fashion.

"They fell on their face," Acey added. "When the network began to fall apart, their customers defected."

Another example, Acey said, is Teligent, which had scaling difficulties due to the nature of its technology.

"In pursuing point-to-point so aggressively, they discovered that it was a tough service to provision," Acey said.

The firm had trouble with such things as antenna installation on rooftops and the expense of truck rolls early in its business plan.

DSL carriers, such as NorthPoint, Rhythms and Covad, have had difficulties because of the wholesale nature of their business plans, Acey said.

For one thing, the DSL providers were, in a sense, wholesale providers of a service they had to purchase wholesale from the RBOCs. In addition, the firms were not directly connected to their customers.

"They depend on other carriers for the foundation of their business plan," Acey said. "That's a dangerous thing to do."

The reliance on a single technology was also a factor, he said.

"You are, by definition, a one-trick pony," he said. "You only sell one service, and when you do that, you can only compete on price."

The separation from the end-user, combined with the single-technology track led to other problems, Acey said, such as a lack of customer loyalty and a lack of diversification in services.

A multiple-technology provider, since it offers more than one service,

has a better ability to retain that customer if it can't compete in terms of price on one of those services. That model also offers financial advantages.

"The capability to improve margin increase," Acey said. "Your networking costs and your SG&A costs can both be amortized over a larger base of revenues per customer."

And when a company is supplying directly to the end-user, the BB&T analyst said, it lowers their exposure if a single customer leaves. If a single Internet user leaves an ISP that supplies DSL, that's perhaps $40 to $50 a month in lost revenue, out of perhaps hundreds of thousands of users that pay the same fee. If a single customer of a wholesale provider leaves, that provider can lose a large portion of its income in a single action.

Among the DSL providers, Covad has been particularly aggressive in bringing end-users of its non-paying ISP customers directly onto its network, connecting itself with more end-users more directly. But Acey indicated that the effort would not likely be enough to turn the firm around, in part because the effort comes so late.

TO CASH FLOW OR NOT TO CASH FLOW ... THAT IS THE QUESTION

Another financial factor pointed to by several analysts as a problem is the industry's reliance on EBITDA as an indicator of success.

NPRG's Clausen stressed that the success of any company should be determined by profitability or actual cash-flow positive, "not this nonsense of EBITDA positive, or worse, adjusted-EBITDA positive."

The figure has little basis as an indicator of a firm's ability to continue as a going concern, he indicated.

"If you approach this from a personal perspective, if you think about what EBITDA is, earnings before interest, taxes, depreciation and amortization, it's not cash-flow positive, it's not what you have in your pocket at the end of the day," Clausen said. "You're still running negative cash flow.

"Imagine if you couldn't cover the interest portion of your mortgage," he said. "I'm EBITDA positive; I bring home enough money to pay for the food and the gasoline and to clothe the kids, but gee, I can't make my interest payment, I can't make my tax payment. Well, you're filing for bankruptcy."

The CLEC industry, he said, has been somewhat crafty in moving investors' attention to the EBITDA figure, by convincing them that the CLEC segment is somehow different from other industries, and that they EBITDA figure accurately reflects success.

"If EBITDA moving toward EBITDA positive didn't work, then we'll just add adjusted, and adjusted can mean anything," he said.

The basis for the adherence to EBITDA was the whole belief in the "new economy," that the new entrants were in a sense different, just as the new economy was different, and that called for a different financial measurement.

Now, in the wake of the segment's problems, more industry officials and experts are calling for a focus on cash flow.

"Becoming EBITDA positive is an important step," Clausen said, "but let's not lose sight of the fact that it's not the end."

BUT WHAT ABOUT THE GUYS WHO ARE DOING WELL?

A great deal of newsprint – or the virtual equivalent – has been consumed discussing "the demise of the CLEC sector" or "what went wrong with the CLECs" and so on.

And while stock prices in the sector have shown massive drops since last year – some down to as little as 10 percent of their peak price – other numbers don't seem to reflect an industry on the outs.

The *CLEC.com* directory currently lists 244 active, facilities-based CLECs in the United States and Canada. A year ago, before the crisis entered its heavy phase, the listing had fewer than 200 entries.

Fewer than a dozen and a half facilities-based CLECs have declared Chapter 11 in the past 12 months, less than 8 percent of the firms in the industry.

So why has the series of failures generated so much press? In part because some of the firms that have failed generated so much press as the sector was on the rise – the publicly traded CLECs.

"That's what people don't understand," Brill Capital's Beck said. "The CLECs that get attention are the ones that are publicly traded. So they look at that and say this industry's going to hell."

Acey agreed.

"The bankruptcies we've seen so far, they represent the highly visible segment of the market and the majority of the competitive space," he said. "There are some fairly sizable private companies out there that we haven't heard from. But for the most part, the publicly traded carriers represent the vast majority of the competitive-telecom space, at least at the local loop."

Many of the other carriers, Acey said, are smaller, privately held regional carriers that he believes will never likely become a significant force in the market. But many of those smaller firms will continue to

function, Acey said, especially as telecom becomes more of a packet-based market, which requires less investment than traditional class 5 equipment and enables smaller firms to gain some market share.

In addition, Beck said that a large number of CLECs were "in the pipeline," and that the industry is actually expanding, not contracting. Many of the new entrants he sees are in new segments, including Ethernet carriers such as Yipes. Those carriers are pulling in hundreds of millions of dollars in new investments, Beck said.

However, Acey said some of the smaller CLECs and specialty firms would not likely survive in the long term, and their passing, because of their small size and small market share, is not likely to be noticed as much as the current series of big-headline firms.

SURVIVORS

Several firms are frequently mentioned when industry experts talk about survivors.

Allegiance, invariably, leads the list. But others that crop up include Time Warner Telecom, McLeodUSA and XO Communications.

Few find fault with Allegiance. But there are others in the top bracket that garner some concern. Acey said that among those firms frequently mentioned as survivors, XO is the one that is perhaps the shakiest.

"I think they've got some real issues to get beyond," Acey said.

"XO operationally is a good company; the problem is their balance sheet is out of whack," Brill Capital's Beck said. "They're a company that if they had money, they would go like gangbusters, and rightfully so."

XO has a very experienced leadership, and the firm has diversified into new technologies, such as LMDS, NPRG's Clausen said. But the firm is weighted down by debt. It has to make hundreds of millions of dollars in interest payments each year on that debt.

"If they can restructure that, handle that, they'll be in a good position," Clausen said.

Time Warner is another strong contender to survive and thrive, Acey said, but the firm also has some sore spots. It still depends, he said, on income from other carriers for a considerable portion of its revenue, especially in the area of special access for interexchange carriers.

However, Acey said, the firm does have a good management team, the company is fully funded and – unlike most in the sector – has profits.

McLeodUSA also has a strong management and funding picture, he said.

The same principals that apply to firms that have fallen apply to those who are successful, Acey said.

"If you look at Allegiance, they've got a very attractive balance sheet, it's not too highly leveraged, they've got a revenue base that's end-user focused and they've pre-funded their business plan," he said. "Those are the three keys to survival. And the key to success is actually putting up good numbers and execution."

THERE'S SMART, AND THEN THERE'S *SMART*

Clausen said that the CLECs that are surviving, and even doing well, include the so-called "smart-build" CLECs, especially niche players that focus on particular market segments.

He cited the ever-present Allegiance, focused on small and mid-sized businesses; Chicago-based Focal, which centered on the Internet market; and Fairport, N.Y.-based PaeTec Communications, which Clausen called "an exceptionally well-run company." PaeTec focuses on the hotel and hospital industries.

The smart-build philosophy, he said, helps the CLECs develop a strong customer base and contributes to controlling capital expenditures.

But industry observers are not in complete agreement on the viability of the smart-build model.

Beck said that he sees the smart-build model as a source of trouble and as the CLEC sector with the most bankruptcy trouble.

"There's a big chunk of bankruptcies where the carrier's are going down because there's so much skepticism about the model," Brill's Beck said.

"In principal, the model works really well, but virtually everyone has been having problems with it," Beck said.

Beck said that principal especially applies among the large DSL providers, which, although they are primarily wholesalers, he still places in the smart-build category, since they rely on the ILECs' loops for last-mile access.

He points to Rhythms, Covad and NorthPoint – all firms that have seen their share of financial difficulties – but also to DSL and VoDSL providers such as Mpower, which he said have the additional challenge of executing a difficult technological model.

Beck sees end-to-end network business models – especially those that use fiber to the premises – as the most likely to survive in the long term.

"The stock prices of all these companies are down, but the bottom line is that the fiber guys will survive," Beck said, "if they can get adequate funding."

However, he does see some smart-build firms surviving. And the key to success is partly internal, involving both the voice network and OSS. Beck, like other analysts, points to the Allegiance model.

"That model doesn't seem to work very well unless you have a very good back office, like Allegiance, for example," Beck said.

Successful electronic bonding is a big part of the back-office formula, he said. Mpower, he pointed out, announced it had completed bonding with Ameritech and Pacific Bell in September 2000, while the firm has been public for nearly three years.

In addition, Beck said that Allegiance has concentrated on traditional T1 services rather than basing all of its services for businesses on DSL technologies.

"Allegiance probably has a higher cost structure on paper than a DSL provider, because the T1 equipment it puts in a Bell central office is more expensive and consumes more power and takes more space," he said. "The bottom line is it's a 25-year-old mature technology. It's much more reliable, it's built to handle voice, it doesn't go down as frequently and the Bells will generally service T1s more expeditiously than they will DSL circuit, and that includes their competitors."

T1s also eliminate distance limitations, as long as repeaters are used, Beck said, which means it can reach a larger number of customers than DSL can from a single collocation.

"If you can get a much bigger addressable market per colo, then your economics look better," he said. "And if you don't have the reliability stigma of DSL, then you're much more likely to get a customer to say yes."

One of the trends Beck – and other analysts – sees ahead for those firms like Allegiance that are expected to survive is an industry consolidation, with the emergence of "super CLECs," carriers made up of the networks of several smaller carriers, or local and regional carriers moving to a national scale.

COME TOGETHER ...

Industry observers have long expected a consolidation in the CLEC space, similar to what occurred in recent years in the cable space. But consolidation isn't necessarily all good news.

"There will be consolidation, but it won't be the type that investors are looking for," BB&T's Acey said. He believes the current round of bankruptcies might be occurring in the place of that long-expected

consolidation.

"Investors generally thought of these companies as being great businesses," he said. "Now they're realizing that all they were were great assets. When you have a whole lot of great assets, it just doesn't build a business plan."

When AT&T recently purchased the assets of NorthPoint, the telecom giant purchased the collocation and network equipment, as well as the OSS, of the DSL provider. It did not, however, purchase the firm's customer list.

Acey indicated that he expects more similar transactions, where larger firms, such as other interexchange carriers, could use auctioned assets as a way to enter the local-services market.

"If you look at the way these carriers have acted – the larger, better-capitalized companies – in this environment, they haven't done a darn thing," he said. "They're just sitting by and waiting for these CLECs to suffocate.

"People have asked 'Why doesn't somebody like Level 3 come in and start being aggressive, why doesn't Level 3 buy ICG, get some last-mile assets,' which makes a lot of sense," Acey said. "Then you've got to ask yourself the question: Does it make sense to buy it now?"

Rather than buying one of the firms in bankruptcy, or one that isn't in Chapter 11 but has considerable debts, some firms may be waiting for an auction so they can buy only the assets – and none of the liabilities.

In addition, the larger carriers may have no interest in the failed firm's customer base, which in several cases is entirely wholesale. So the customer churn that comes from Chapter 11 or even liquidation is irrelevant to the buyer.

"Whoever wants them can wait until they suffocate; they don't care about customer churn in the meantime," Acey said. "Customers aren't stupid; they read the papers, and you can bet that they are running away from companies like WinStar like there's no tomorrow."

So AT&T, which wanted NorthPoint's assets, was willing to forego access to the firm's customers so it could pick up the equipment at prices as low as 20 cents on the dollar, he said.

But despite the horror stories, there is some consolidation ahead for CLECs that's more healthy in nature, Acey said.

"When you have companies out there like Allegiance that continue to perform and execute and continue to enhance their value, for carriers like that, I think the consolidation still awaits them," he said. And that consolidation, when it comes, "will likely be more like what investors have in mind."

THIS IS (NOT) THE END ...

Despite all the sackcloth and ashes surrounding the current round of bankruptcies and other troubles in the CLEC world, NPRG's Clausen said the current round of bankruptcies was more of a house cleaning than a house fire.

Brill's Beck agreed, saying not all those firms that have filed for Chapter 11 would end up liquidating. He pointed to IDT's recent action to take stakes in both ICG and Teligent.

"You don't do that unless you're going to try to make a business out of it," he said.

"It's the Darwinian process," Clausen said. "Some of these companies just didn't have the right people, they didn't have the right plan, they didn't have the right money to make it.

"We have a slight hiccup, we had a little bump in the business cycle, and these guys fall off the cart."

Eastern Management Group's Malone concurred.

"The Telecommunications Act of 1996 is working," he said. "Some companies will go under, but the strongest will survive."

And those firms that are left, Clausen said, will learn from the errors of those that have fallen.

"They don't want to be eaten by that dinosaur, so therefore, I will adapt," Clausen said. "That's what we see going on."

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Douglas G. Baine

Borealis A/S
Hans Byfeldt

BP
Peter B.P. Bevan

BP Amoco Corporation
Bob Agdern

Bristol-Myers Squibb Company
John L. McGoldrick

British American Tobacco
Neil R. Withington

Burger King Corporation

C

Cargill PLC
Timothy Thomas

Cendant Corporation
Richard J. Wolf

Chevron Corporation
Harvey D. Hinman

Chubb & Son, Inc.
Thomas J. McCormack

CIGNA Corporation
Judith E. Soltz

Citigroup
Nancy Nelson

Clorox Company
Peter D. Bewley

CNA Commercial Insurance
Hellen Merrick

The Coca-Cola Company
Joseph R. Gladden, Jr.

Comerica Inc.
George Madison

Compaq Computer Corporation
Bill Moore

Conoco, Inc.
Thomas Loftus

Coors Brewing Company
Caroline Turner

Credit Suisse First Boston
Joseph T. McLaughlin

Credit Suisse First Boston (Europe) Limited
Kevin Studd

D

DaimlerChrysler AG
Albrecht Graf von Schlieffen

DaimlerChrysler Corporation
William J. O'Brien

Dana Corporation
Michael L. DeBacker

Darden Restaurants, Inc.
Paula J. Shives

Deloitte & Touche
Peter A. Hoffman

Diageo PLC
Dr. Kenneth C. Mildwaters

Dow Europe SA
Kenneth R. Fitzpatrick

Duke Energy Corporation
Richard W. Blackburn

E

E.I. du Pont de Nemours and Company
Thomas L. Sager

Eastman Chemical Company
David E. Cotey

Eaton Corporation
J. Robert Horst

Equitas Ltd.
Scott P. Moser

Ernst & Young LLP
Kathryn A. Oberly

Exelon Corporation
Randall E. Mehrberg

ExxonMobil Corporation
Charles A. Beach

F

Farmers Insurance Group
Jason L. Katz

FedEx Corporation
Karen M. Clayborne

Fireman's Fund Insurance Companies
Janet Kloenhamer

Ford Motor Company
William A. Zolbert

Frito-Lay, Inc.
Clay G. Small

G

The Gates Rubber Company
James E. Nelson

General Electric Company
Benjamin W. Heineman, Jr.

General Electric Nuovo Pignone
Jean-Claude Najar

General Mills, Inc.
Siri S. Marshall

General Motors Corporation
Carol H. Lesnek-Cooper

Georgia Gulf Corporation
Joel I. Beerman

Georgia Pacific Corporation
Phillip M. Armstrong

The Gillette Company
Richard K. Willard

GlaxoSmithKline plc
James R. Beery

Goodyear Tire & Rubber Company
C. Thomas Harvie

H

Halliburton/Brown & Root
Albert O. Cornelison

Hallmark Cards Incorporated
Barry M. Katz

The Hartford Financial Services Group, Inc.
Neal Wolin

The Hartford Steam Boiler Inspection & Insurance Co.
Robert C. Walker

HCA - The Healthcare Company
Mark Edwards

Honeywell International
John Gustafson

HSBC Holdings plc
Richard E.T. Bennett

I

IBM Corporation
Lawrence R. Ricciardi

Imperial Oil Ltd.
Ronald C. Walker

Intel Corporation
Carl Silverman

International Paper Company
William Lytton

Invensys
James C. Bays

J

John Hancock Mutual Life Insurance Company
Wayne Budd

Johnson & Johnson
Roger S. Fine

J.P. Morgan Chase & Company
Kent T. Stauffer

K

Kimberly-Clark Corporation
O. George Everbach

Kraft Foods, Inc.
Wilbur F. Pell, III

L

Liberty Mutual Group
Christopher C. Mansfield

M

Marathon Oil
William F. Schwind, Jr.

Masco Corporation
John R. Leekley

McDonald's Corporation
Jeffrey B. Kindler

Memphis Light, Gas & Water

J. Maxwell Williams

MG North America Holdings, Inc.
Arthur G. Taylor

Minnesota Mining and Manufacturing Company
John J. Ursu

Monsanto Company
Charles Burson

Motorola, Inc.
A. Peter Lawson

N

Nationwide Mutual Insurance Company
Patricia Hatler

Nestle S.A.
Dr. Hans Peter Frick

Nestle USA, Inc.
Kristin Adrian

New York Life Insurance Company
Randi J. Bader

P

Parker Hannifin Corporation
Thomas A. Piraino, Jr.

PepsiCo, Inc.
Robert F. Sharpe

Pfizer Inc.
Paul S. Miller

Philip Morris Companies, Inc.
Charles R. Wall

Philip Morris Europe S.A.

Phillips Petroleum Company
J. Bryan Whitworth

Phoenix Home Life Mutual Insurance Company
Tracy L.Rich

Pitney Bowes Incorporated
Sara E. Moss

Pittsburgh Corning Corporation
David M. Ellis

PPG Industries, Inc.
James C. Diggs

PricewaterhouseCoopers LLP
Lawrence W. Keeshan

The Procter & Gamble Company
Steven W. Miller

Progress Energy, Inc.
William D. Johnson

Prudential Insurance Company of America
Leonard P. Novello

Public Service Electric and Gas Company
R. Edwin Selover

R

Reliance National Insurance Co.
Robert Harberle

Rockwell Corporation
William J. Calise, Jr.

S

SBC Communications, Inc.

Schering-Plough Corporation
Robert J. Trainor

Shell International
Rene van Rooij

Shell Oil Company
Carla Herron

Siemens AG
Dr. Albrecht Schaefer

Siemens Corporation
E. Robert Lupone

SmithKline Beecham Corporation
Robert F. Harchut

Solutia, Inc.
Thomas M. Bistline

Sony Corporation
Teruo Masaki

Sony Electronics Inc.
Frank M. Lesher

The St. Paul Companies
Edward M. Zawitoski

State Farm Insurance Companies
B. Gerald Reynolds

STEAG AG
Kurt Nottbohm

Sun Company, Inc.
Michael Kuritzkes

Swiss Reinsurance America Corp.
Thomas Forsyth

T

Temple-Inland, Inc.
M. Richard Warner

Texaco Inc.
Lawrence R. Jerz

Texas Instruments Inc.
Jay C. Johnson

Textron Incorporated
Andrew C. Spacone

The Toro Company
J. Lawrence McIntyre

Travelers Property Casulaty Corp.

Jane Kelly

TRW Inc.
Donald R. Williams

U

Unilever United States, Inc.
Ron Soiefer

Union Pacific Railroad Corporation
Carl W. Von Bernuth

UNISYS Corporation
Harold S. Barron

United Parcel Service of America, Inc.
Joseph R. Moderow

USAA
Reid E. Meyers

USX Corporation
Dan D. Sandman Jr.

V

Viad Corp
Scott Sayre

W

Westvaco Corporation
Wendell L. Willkie II

Williams Companies
William G. Von Glahn

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Lisa Roscoe

X

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Christina E. Clayton

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Registry of Subscribers

Alphabetical Listing

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Click on a letter to jump farther down the list.

Note on alphabetizing: *Parent companies with two names are listed by first name (e.g. Guy F. Atkinson is alphabetized by G); companies with initials are listed by last name (e.g. J.C. Penney is alphabetized by P).*

A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X | Y | Z

A

A. Epstein and Sons International
A.B. Dick Company
A.O. Smith Corporation
Abbott Laboratories
ABM Industries Incorporated
Ace Hardware Corporation
Acheson Industries Inc.
Acme Steel Company
Advanced Micro Devices, Inc.
Advantica
AEGIS Insurance Services, Inc.
Aeuroquip-Vickers, Inc.
Aetna Life US Healthcare
Ag Processing Inc.
AGA Gas, Inc.
Agri-Mark, Inc.
Agway, Inc.
Aid Association for Lutherans
Airborne Freight
Air Products & Chemicals, Inc.
Albank Financial Corporation
Albany Engineering Corporation
Albert M. Higley Company
Alcan Aluminum Corporation
ALCOA Inc.
Alexander & Alexander Services Inc.
Alexander & Baldwin, Inc.

SUPRA

EXHIBIT: OAR 45

Alexander & Baldwin, Inc.
Allegheny Corporation
Allegheny Energy, Inc.
Allen Telecom Inc.
Allen-Bradley Company
Allergan, Inc.
ALZA Corporation
American Cyanamid Company
American Express Company
American Family Insurance Company
American Financial Corporation
American Greetings Corporation
American International Group, Inc.
American National Can Company
American President Companies, Ltd.
American Protective Services, Inc.
American Standard Inc.
American Stores Company
AmerUS Assurance Company
AMF Incorporated
Amgen Inc.
Amoco Corporation
AMR Corporation
Amsted Industries, Inc.
Amtran, Inc.
Anadarko Petroleum Corporation
Analog Devices Inc.
Anchor Glass Container Corp.
Andersen Corporation
Andron Construction Corporation
Angelica Corporation
Anheuser-Busch Companies, Inc.
Anschutz Corporation (The)
Apple Computer, Inc.
ARAMARK Corporation
Archer-Daniels-Midland Company
Aristech Chemical Corporation
Arkansas Best Corporation
Arvin Industries Inc.
ASARCO, Inc.
Asbestos Claims Management Corporation
Ashland Inc.
AT&T
Atkinson Construction Company
Atlantic Richfield Company
Automatic Data Processing, Inc.
Avery Dennison Corporation
Avon Products, Inc.

B

B.F. Goodrich Company Baker Hughes Incorporated
Ball Corporation
Baltimore Gas & Electric Company
Bancorp Hawaii, Inc.
Bandag, Incorporated
Bank of America
Bank of California National Assoc.
Bankers Trust Company
BANKONE Corporation
BASF Corporation
Bassett Furniture Industries, Inc.
Baxter International
Bechtel Group, Inc.
Bell & Howell Company
Bell Atlantic Corporation
BellSouth Corporation
Bemis Company, Inc.
Bernard Johnson Young, Inc.
Best Products Company, Inc.
Bestfoods
Bethlehem Steel Corporation
BetzDearborn, Inc.
Bicoastal Corporation
Bindley Western Industries, Inc.
BioWhittaker, Inc.
Bird, Inc.
BJ's Wholesale Club, Inc.
Black & Decker
Block Drug Company, Inc.
Blount, Inc.
Blue Bell, Inc.
Boehringer Mannheim Corporation
Boeing Company (The)
Boise Cascade Corporation
Borden, Inc.
Bourns, Inc.
Bowater, Inc.
Bridgestone/Firestone, Inc.
Briggs & Stratton Corporation
Bristol-Myers Squibb Company
Brooklyn Union Gas Company
Brown-Forman Corporation
Browning-Ferris Industries, Inc.
Brunswick Corporation
Brush Wellman, Inc.
Budd Company
Budget Rent a Car
Bulova Corporation

Burger King Corporation
Burlington Industries, Inc.
Burlington Motor Carriers Inc.
Burlington Resources, Inc.
Butler Manufacturing Company

C

C.H. Robinson Co. C.R. Bard Inc.
Cabot Corporation
Caliber System, Inc.
California and Hawaiian Sugar Co.
Camco International Inc.
Cameron Mutual Insurance Company
Canadian Marconi Company
Capital Cities/ABC, Inc.
Cardinal American Corporation
Cargill, Incorporated
Carlson Companies, Inc.
Carnation Company
Carnival Corporation
Carolina Power & Light Company
Carpenter Technology Corporation
Carter Hawley Hale
CasChem, Inc.
Caterpillar, Inc.
CBI Industries
CDI Corporation
Cenex Harvest States Cooperatives
Centel Corporation
Centerior Energy Corporation
Centex Corporation
Central Vermont Public Service Corp.
Ceridian Corporation
CertainTeed Corporation
Champion International Corporation
Charles Schwab & Co. Inc.
Chase Manhattan Bank, N.A.
Chevron Corporation
Chicago Pneumatic Tool Company
Chubb & Son, Inc.
CIGNA Corporation
Cincinnati Financial Corporation
Cincinnati Milacron, Inc.
Cinergy Corp.
CitiSteel Corporation
Citizens Security
City Federal Savings Bank
Clarcor
Clayton Corporation

Cleveland-Cliffs Inc.
Cleveland Clinic Foundation
Clorox Company
CMS Energy Corporation
CNA Insurance Companies
Coastal Lumber Company
Coats & Clark Inc.
Coca-Cola Company (The)
Colgate-Palmolive Company
Collins Industries
Colonial Pipeline Company
Columbia Energy Group
Commonwealth Edison Company
Communications Equity Associates
Comdisco Inc.
Compass Bancshares, Inc.
Connell Limited Partnership
Conseco, Inc.
Consolidated Natural Gas Company
Consolidated Stores Corporation
Constellation Energy Group
Conwood Company LP
Cooper Industries
Cooper Tire & Rubber Company
Coopers & Lybrand
Coors Brewing Company
Copperweld Corporation
Corning Inc.
Crompton & Knowles Corporation
Cross & Trecker Corporation
Crowley Maritime
Crown Central Petroleum Corporation
Crown Cork & Seal
CTS Corporation
Cushman & Wakefield, Inc.
Cypress Semiconductor Corporation

D

DaimlerChrysler Corporation
Dan River Inc/Chemical Products Division
Dana Corporation
Dauphin Deposit Corporation
Day International Corporation
Dean Foods Company
Deere & Company
Degussa Corporation
DEKALB Genetics Corporation
Del Webb Corporation
Deloitte & Touche

Delta Air Lines Inc.
Deluxe Corporation
Dennis Chemical Company
Dentsply International Inc.
Deposit Guaranty National Bank
Detroit Edison Company
Dexter Corporation (The)
DHL Worldwide Express

E

E-Systems, Inc. E. E. Black, Ltd.
E.I. du Pont de Nemours & Company
E.R. Carpenter Co.
Eagle-Picher Industries, Inc.
East Ohio Gas Company
Eastman Chemical Company
Eastman Kodak Company
Easton Manufacturing Company
Eaton Corporation
EBCO Manufacturing Company
Echlin Inc.
Ecolab Inc.
EG&G, Inc.
ELCOR Corporation
ELDEC Corporation
Elf Atochem North America, Inc.
Eli Lilly & Company
Emerson Electric Co.
Enesco Group, Inc.
Engraph, Inc.
Entergy Corporation
EOTT Energy Partners, L.P.
Erb Lumber Company
Ernst & Young, LLP
Estee Lauder Cos.
Exide Corporation

F

Fabri-Centers of America, Inc. Falcon Tool Company
Farm & Home Financial Corporation
Farm House Financial Corporation
Farmers Insurance Group
Farmland Industries, Inc.
Fedders Corporation
Federal Express Corporation
Federal Paper Board Company, Inc.
Federal-Mogul Corporation

Federal Signal Corporation
Federated Department Stores, Inc.
Federated Mutual Insurance Company
Ferro Corporation
Fina Inc.
Fireman's Fund Insurance Companies
First Bank System, Inc.
First Brands Corporation
First Chemical Corporation
First Data Corporation
First Financial Corporation
First National Supermarkets, Inc.
First Virginia Banks Inc.
Firstar Corporation
FirstFed Financial Corp.
Fleetwood Enterprises, Inc.
Fleming Companies, Inc.
Florida Rock Industries, Inc.
Fluke Corporation
Fluor Corporation
Flying J Inc.
FMC Corporation
FMR Corporation
Ford Motor Company
Fort Howard Corporation
Forte, Inc.
Fourth Financial Corp.
Fox Meyer Health Corp.
Frito-Lay, Inc.
Fruehauf Corporation
Fuqua Industries

G

G. D. Searle & Company GAF Corporation
Gannett Co. Inc.
Gap, Inc.
Gates Rubber Company (The)
GATX Corporation
GATX Logistics
GEICO Corporation
General Aluminum & Chemical Corp
General Dynamics Corporation
General Electric Company
General Instrument Corporation
General Mills, Inc.
General Motors Corporation
General Public Utilities Corporation
General Reinsurance Corporation
General Signal Corporation

Genuine Parts Company
Georgia Gulf Corporation
Georgia Pacific Corporation
Giant Food, Inc.
GIW Industries, Inc.
Global Petroleum
Gold Kist, Inc.
Goldman, Sachs & Co.
Golub Corporation (The)
Goodyear Tire & Rubber Company
Graco Incorporated
Grand Trunk Corporation
Graphic Controls Corporation
Graybar Electric
Great American Insurance Companies
Great Lakes Chemical Corporation
Great Lakes Construction Company
Great West Casualty Company
Great Western Financial Corporation
Greyhound Financial Corp.
Greyhound Lines, Inc.
Grolier, Inc.
Grow Group, Inc.
Grumman Corporation
GTE Corporation
Guardian Industries Corporation
Guilford Mills, Inc.
Gulfstream Aerospace Corporation

H

H.F. Ahmanson & Co. HAL, Inc.
Halliburton Company
Halliburton/Brown & Root
Hanover Insurance Company
Harcourt General Inc.
Harley-Davidson, Inc.
Harleysville Mutual Insurance Company
Harnischfeger Industries, Inc.
Harper Group (The)
Harsco Corporation
Hartford Financial Services Group Inc. (The)
Hartz Group Inc. (The)
Heinens Inc.
Hemphill Brothers, Inc.
Hercules, Inc.
Hershey Foods Corporation
Hewlett-Packard Company
Hillenbrand Industries, Inc.
Hillman Company (The)

Hills Department Stores Inc.
Hilton Hotels Corporation
Hoechst Marion Roussel
Hoffmann-La Roche, Inc.
Home Depot Inc.
Homestake Mining Company
Hon Industries Inc.
Honeywell, Inc.
Honeywell, International Inc.
Hormel Foods Corporation
Household International
Howard Corporation
Huntington Bancshares Incorporated

I

IBM Corporation
ICI Americas, Inc.
IDEX Corporation
IDS Financial Services, Inc.
IDX Systems Corporation
IKON Office Solutions, Inc.
Illinois Power Company
Illinois Tool Works Inc.
IMO Industries, Inc.
Imperial Holly Corporation
Indiana Farm Bureau Cooperatives
Association, Inc.
Indiana National Bank Corporation
Ingersoll-Rand Company
Inland Steel Industries, Inc.
Insilco Corporation
Intel Corporation
Inter-Ocean Holding Company
Intercraft Industries, L.P.
Interlake Corporation
Intermedics, Inc.
International Paper Company
Interpublic Group of Companies, Inc.
Invensys
Irvine Company

J

J.C. Penney Company, Inc. J.M. Huber Corporation
J.P. Morgan & Co. Incorporated
J. R. Simplot Company
Jack Eckerd Corporation
John Hancock Mutual Life Insurance Company
Johns Manville Corporation
Johnson Controls, Inc.
Jostens, Inc.
Joy Technologies Inc.
JP Foodservice, Inc.

K

Kaiser Aluminum & Chemical Corporation
Kanematsu USA Inc.
Kaufman and Broad Home Corporation
Kellogg Company
Kellwood Company
Kelly Services, Inc.
Kendall Company
Kennedy Van Saun Corporation
Keyport Life Insurance Company
KFC Corporation
Kimball International, Inc.
Kolene Corporation
KPMG Peat Marwick
Kroger Company

L

Laclede Gas Company Lamson & Sessions Company
Landstar System, Inc.
Larry D. Cooper, M.D., P.A.
Lear Seating Corporation
Learjet Incorporated
Leaseway Transportation Corporation
Leggett & Platt, Inc.
Lennox International Inc.
Levitz Furniture Corporation
Lexmark International, Inc.
Liberty Mutual Group
Life Insurance Company of Virginia
Limited, Inc. (The)
Lincoln National Corporation
Litton Industries, Inc.

Lockheed Martin Corporation
Lonza Inc.
Louisiana Land and Exploration Co.
Louisiana-Pacific Corp.
LTV Corporation (The)
Lukens Inc.
Lyondell Petrochemical Company

M

M.A. Hanna Company M.A. Mortenson Co.
Mack Trucks, Inc.
Magellan Health Services, Inc.
Magma Copper Company
Mallinckrodt Group Inc.
Manitowoc Company, Inc.
Manpower Inc
Manufacturers Bank
MAPCO Inc.
Maritz Inc.
Mark Controls Corporation
Mark VII, Inc.
Marley Company
Maryland Insurance Group
Masco Corporation
Massachusetts Mutual Life Insurance
Mattel Inc.
Mayflower Group Inc.
Maytag Corporation
McCormick & Co., Inc.
McDermott International Inc.
McDermott, J. Ray, S.A.
McDonald & Co. Securities, Inc.
McDonald's Corporation
McDonnell Douglas Corporation
MCI WORLDCOM, Inc.
McKesson Corporation
MCN Energy Group Inc.
McNally Pittsburgh, Inc.
Mead Corporation (The)
Medtronic, Inc.
Mellon Bank Corporation
Menasha Corporation
Mercantile Bankshares Corporation
Mercantile Stores Company Inc.
Merck & Co. Inc.
Meredith Corporation
Meridia Health Systems
Merisel Inc.
Meritor Automotive, Inc.

Mesa Limited Partnership
Metropolitan Property-Casualty
Miami Elevator Company
Michigan National Corporation
Microsoft Corporation
Milk Marketing Inc.
Milliken & Company
Millipore Corporation
Minnesota Mining and Manufacturing Company
Minorco (U.S.A.) Inc.
Missouri Basin Systems Group
Mitchell Energy & Development
Mitel Inc.
Mobil Corporation
Modine Manufacturing Company
Monogram Industries, Inc.
Monsanto Company
Montgomery Ward & Co.
MONY Financial Services
Mooney Chemicals, Inc.
Morgan Stanley Dean Witter & Co.
Morrison Incorporated
Morrison Knudsen Corporation
Morton International, Inc.
Motorola, Inc.
Mount Vernon Mills, Inc.
Munsingwear Men's Apparel Div.
MX Consulting & Mediation Services

N

NACCO Industries, Inc. Nalco Chemical Company
National Convenience Stores, Inc.
National Grange Mutual Insurance Co.
National Life Insurance Company
National Railroad Passenger Corp.
National Semiconductor Corp.
National Service Industries, Inc.
National Starch & Chemical Company
National Steel Corporation
National Westminster Bancorp Inc.
Nationsbank Corporation
Nationwide Mutual Insurance Co.
Navistar International Transportation Corporation
NCH Corporation
NEC America, Inc.
NEC Technologies, Inc
Nestle USA, Inc.

New York State Electric & Gas Corp.
Newell Company
Niagara Mohawk Holdings Inc.
NICOR Inc.
Noland Company
Nordson Corporation
Nordstrom, Inc.
Norfolk Southern Corporation
Northeast Utilities System
Northern Trust Corporation
Northrop Grumman Corp.
Northwestern Mutual Life
Norton Company
Norwest Corporation
NTH Consultants, Ltd.
NWNL Companies, Inc.
NYNEX Corporation

O

Ocean Spray Cranberries, Inc. Ogden Corporation
Ohio Bell Telephone Company
Ohio Casualty Corporation
Ohio Edison Company
Old Dominion Freight Line Inc.
Olin Corporation
OM Group, Inc.
OMI Corporation
Oneida Limited
Orion Capital Corporation
Orion Corporation
Oshkosh Truck Corporation
Owens-Corning
Owens-Illinois Inc.

P

Paccar Inc. Pacific Enterprises
Pacific Gas and Electric Company
Pacific Mutual Life Insurance Co.
Pacific Telesis Group
Pall Corporation
Parker Hannifin Corporation
Parsons Corporation (The)
Payless Cashways Inc.
PECO Energy Company
Pennsylvania Power & Light Company
Pennzoil-Quaker State Company
Pentair Inc.

Pentair Inc.
People's Bank
Pep Boys-Manny, Moe & Jack (The)
PepsiCo, Inc.
Perini Corporation
Perkin-Elmer Corporation (The)
Petrolite Corporation
Pfizer Inc.
PHH Group Inc.
Philip Morris Companies, Inc.
Philips Electronics
Phillips Petroleum Company
Phoenix Home Life Mutual Insurance Company
Pillsbury
Pioneer Hi-Bred International, Inc.
Pitt-Des Moines Inc.
Pittston Company (The)
Pittway Corporation
Pizza Hut, Inc.
Plaskolite, Inc.
PNC Bank Corp.
Pneumo Abex Corporation
PPG Industries Inc.
Praxair, Inc.
Premark International, Inc.
Price/Costco, Inc.
PricewaterhouseCoopers LLP
Principal Financial Group
Progressive Corporation (The)
Prudential Insurance Company of America
PSI Energy
Public Service Company of Colorado
Public Service Electric and Gas Company
Publicker Industries Inc.
Purolator Products Company

Q

Quaker State Corporation

R

R.B. Pamplin Corporation
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R.R. Donnelley & Sons
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Rayonier
Raytheon Company
Reckitt & Colman Inc.
Recognition International

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Reilly Industries, Inc.
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Revco D.S., Inc.
Rexnord, Inc.
Reynolds Metals Company
Riceland Foods, Inc.
Rich Products Corporation
Risk Enterprise Management, Ltd.
Robbins & Myers, Inc.
Rochester Gas and Electric Corporation
Rochester Telephone Corporation
Rockwell International
Rohm and Haas Company
Rolm Systems
Roundy's, Inc.
Royal Insurance Company of America
Rubbermaid Incorporated
Rykoff-Sexton, Inc.
Ryland Group, Inc. (The)

S

7-Eleven, Inc.
Safeco Insurance Companies
Safety-Kleen Corporation
Safeway Inc.
Sage Automation Corporation
Salomon Smith Barney Holdings Inc.
Sammons Enterprises, Inc.
Sandoz Corporation
Santa Fe Pacific
Sanwa Bank California
Sara Lee Corporation
Savannah Foods & Industries Inc.
Save Mart Supermarkets
Savin Corporation
SBC Communications, Inc.
SC Companies, Inc.
Schering-Plough Corporation
Schlumberger Limited
Schwan's Sales Enterprise
Science Applications International
Scientific-Atlanta, Inc.
Sea-Land Service, Inc.
Sealed Air Corporation
Sealy Corporation
Sears, Roebuck and Co.

Sentry Insurance Group
Service Merchandise Company
Servistar Corporation
SFN Companies, Inc.
Shaklee Corporation
Sherwin-Williams Company
Shoney's, Inc.
Siemens Corporation
Siemens Energy & Automation, Inc.
Silicon Graphics, Inc.
Simpson Investment Company
Smith International Inc.
Smith's Food and Drug Centers, Inc.
SmithKline Beecham
Smurfit Stone Corp.
Snap-On Tools Corporation
Solvay America, Inc.
Sonoco Products Company
Sony Electronics Inc.
Southern California Edison Co.
Southern National Corporation
Southern New England Telecommunications Corp
Southern States Cooperative, Inc.
Southern Wine & Spirits of America
Spire Group Ltd.
Springs Industries, Inc.
Sprint Corporation
Square D Company
St. Paul Companies
Standard Chartered Bank PLC
Standex International Corporation
Stanley Works
Starwood Hotels & Resorts Worldwide Inc.
State Farm Insurance Companies
State Mutual Life Assurance Company of America
Stepan Company
Steris Corporation
Stewart & Stevenson Services, Inc.
Stone & Webster, Incorporated
Stop & Shop Companies, Inc. (The)
Storage Technology Corporation
Stroh Brewery Company
Sturtevant, Inc.
Subaru of America Inc.
Summit Bancorp.
Sun Company, Inc.
Sun-Diamond Growers of California
Sun Electric Company
SunAmerica, Inc.

Sundstrand Corporation
SUPERVALU INC.
Suter Company, Inc.
Svedala Industries, Inc.
Sweetheart Cup Company
Syntex Corporation
Syro Steel Company
SYSCO Corporation

T

3 COM Corporation Talley Industries, Inc.
TAVA/R.W. Beck, LLC
Target Corporation (Dayton Hudson Corp.)
Teachers Insurance & Annuity Assoc.
Tecumseh Products Company
Tejas Gas
Tektronix, Inc.
Temple-Inland Inc.
Tenneco Inc.
Teradyne Inc.
Terex Corporation
Tesoro Petroleum Corporation
Texaco Inc.
Texas Industries, Inc.
Texas Instruments Inc.
Textron Incorporated
Thomas Industries Inc.
Thomas J. Lipton, Inc.
Thrift Drug, Inc.
Thrifty Payless, Inc.
Time Warner Inc.
Times Mirror Company (The)
Timex Corporation
Timken Company (The)
TJX Companies, Inc. (The)
Tokheim Corporation
Tom Brown Inc.
Toro Company (The)
Toyota Motor Sales, U.S.A., Inc.
Tracor, Incorporated
Trans World Airlines, Inc.
Transamerica Corporation
Transammonia, Inc.
Travelers Property Casualty Corp.
Tribune Company
TriMas Corporation
TRW Inc.
TU Electric
Turner Construction Corporation

Turner Construction Corporation
Tyco Toys, Inc.

U

U.S. Bancorp
U.S. Generating Company
UAL Corporation
UCC Investors Holding Inc.
Ultramar Diamon Shamrock
Unigard Security Insurance Company
Union Carbide Corporation
Union Pacific Corporation
UnionBanCal Corporation
Uniroyal Chemical Company, Inc.
UNISYS Corporation
United Energy Resources, Inc.
United Industrial Corporation
United Parcel Service of America, Inc.
United States Shoe Corporation
United Stationers, Inc.
United Technologies Corporation
Univar Corporation
Universal Foods Corporation
UNOCAL Corporation
UNUM Life Insurance Company
US WEST
USA Waste Services Inc.
USAA
USX Corporation

V

Vail Rubber Works, Inc. Valassis Communications Inc.
Valley National Corporation
Van den Bergh Foods Company
Van Dorn Demag Company
Varian Associates, Inc.
Venture Stores, Inc.
VF Corporation
Viacom Inc.
Viad Corp.
Volkswagen of America, Inc.
Vulcan Materials Company
VWR Scientific Products

W

W.R. Grace & Company Wachovia Corporation
Wal-Mart Stores, Inc.
Walgreen Company
Warner-Lambert Company
Washington Energy Company
Washington Federal Savings
Washington Mutual
Watkins-Johnson Company
Weatherford Enterra, Inc.
Weirton Steel Corporation
Wellman, Inc.
Wells Fargo Bank, N.A.
Western Resources
Westinghouse Electric Corporation
Wetterau, Inc.
Weyerhaeuser Company
Wheeling-Pittsburgh Corporation
Whirlpool Corporation
White Consolidated Industries
Whitman Corporation
Whittaker Corporation
Williams Companies
Williams Patent Crusher & Pulverizer
Willmut Gas & Oil Company
Wilson Bennett, Inc.
Wilson Foods Corporation
Winn-Dixie Stores, Inc.
Winnebago Industries, Inc.
Wisconsin Electric Power Company
Wisconsin Public Service Corporation
Witco Chemical Corporation
Wold Oil & Gas Company
Wolverine World Wide, Inc.
Woodward Governor Company
Woodward & Lothrop Incorporated
Worthington Industries, Inc.
Wyle Laboratories

X

Xerox Corporation

Y

York International Corporation

Z

Zenith Electronics Corporation Zurn Industries, Inc.

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AGREEMENT
BETWEEN
BELLSOUTH TELECOMMUNICATIONS INC.
AND
MPOWER

SUPRA

EXHIBIT: OAR 46

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arising from the content of the receiving company's own communications, or (2) any claim, loss or damage claimed by the customer of the Party receiving services arising from such company's use or reliance on the providing company's services, actions, duties, or obligations arising out of this Agreement.

8.6 Disclaimer. EXCEPT AS SPECIFICALLY PROVIDED TO THE CONTRARY IN THIS AGREEMENT, NEITHER PARTY MAKES ANY REPRESENTATIONS OR WARRANTIES TO THE OTHER PARTY CONCERNING THE SPECIFIC QUALITY OF ANY SERVICES, OR FACILITIES PROVIDED UNDER THIS AGREEMENT. THE PARTIES DISCLAIM, WITHOUT LIMITATION, ANY WARRANTY OR GUARANTEE OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING, OR FROM USAGES OF TRADE.

9. Intellectual Property Rights and Indemnification

9.1 No License. No patent, copyright, trademark or other proprietary right is licensed, granted or otherwise transferred by this Agreement. Unless otherwise mutually agreed upon, neither Party shall publish or use the other Party's logo, trademark, service mark, name, language, pictures, or symbols or words from which the other Party's name may reasonably be inferred or implied in any product, service, advertisement, promotion, or any other publicity matter, except that nothing in this paragraph shall prohibit a Party from engaging in valid comparative advertising. This paragraph 9.1 shall confer no rights on a Party to the service marks, trademarks and trade names owned or used in connection with services by the other Party or its Affiliates, except as expressly permitted by the other Party.

9.2 Ownership of Intellectual Property. Any intellectual property which originates from or is developed by a Party shall remain in the exclusive ownership of that Party. Except for a limited license to use patents or copyrights to the extent necessary for the Parties to use any facilities or equipment (including software) or to receive any service solely as provided under this Agreement, no license in patent, copyright, trademark or trade secret, or other proprietary or intellectual property right now or hereafter owned, controlled or licensable by a Party, is granted to the other Party or shall be implied or arise by estoppel. It is the responsibility of each Party to ensure at no additional cost to the other Party that it has obtained any necessary licenses in relation to intellectual property of third Parties used in its network that may be required to enable the other Party to use any facilities or equipment (including software), to receive any service, or to perform its respective obligations under this Agreement.

9.3 Indemnification. The Party providing a service pursuant to this Agreement will defend the Party receiving such service or data provided as a result of such service against claims of infringement arising solely from the use by the receiving Party

Network Elements and Other Services
Local Interconnection
Resale
Collocation

The following services are included as options for purchase by Mpower. Mpower shall elect said services by written request to its Account Manager if applicable.
Optional Daily Usage File (ODUF)
Enhanced Optional Daily Usage File (EODUF)
Access Daily Usage File (ADUF)
Line Information Database (LIDB) Storage
Centralized Message Distribution Service (CMDS)
Calling Name (CNAM)

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year above first written.

BellSouth Telecommunications, Inc.

Signature

Jerry D. Hendrix
Name

Sr. Director – Interconnection Services
Title

6/28/00
Date

Mpower Communications Corporation

Signature

James D. Mitchell III
Name

Southeast Region President
Title

6/20/00
Date

BELLSOUTH

BellSouth Telecommunications, Inc
Suite 400
150 South Monroe Street
Tallahassee, Florida 32301-1556

350 224-7798
Fax 850 224-5073

Marshall M. Criser III
Regulatory Vice President

September 28, 2000

Mrs. Blanca S. Bayo
Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

001509-TP

Re: Approval of the negotiation Interconnection Agreement by BellSouth Telecommunications, Inc. ("BellSouth") and MGC Communications d/b/a Mpower Communications Corporation, Inc. pursuant to Sections 251, 252 and 271 of the Telecommunications Act of 1996

Dear Mrs. Bayo:

Pursuant to section 252(e) of the Telecommunications Act of 1996, BellSouth and MGC Communications d/b/a Mpower Communications Corporation, Inc. are submitting to the Florida Public Service Commission their negotiated agreement for the interconnection, resale and collocation of their networks, the unbundling of specific network elements offered by BellSouth and the resale of BellSouth telecommunications services to MGC Communictions d/b/a Mpower Communications Corporation, Inc. The agreement was negotiated pursuant to sections 251, 252 and 271 of the Act.

Pursuant to section 252(e) of the Act, the Commission is charged with approving or rejecting the negotiated agreement between BellSouth and MGC Communications d/b/a Mpower Communications Corporation, Inc. within 90 days of its submission. The Commission may only reject such an agreement if it finds that the agreement or any portion of the agreement discriminates against a telecommunications carrier not a party to the agreement or the implementation of the agreement or any portion of the agreement is not consistent with the public interest, convenience and necessity. Both parties represent that neither of these reasons exists as to the agreement they have negotiated and that the Commission should approve their agreement.

Very truly yours,

Marshall M. Criser III

Regulatory Vice President

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OAR – 47

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