

DOCKET NO. 6863-U
GEORGIA PUBLIC SERVICE COMMISSION
STAFF REPORT AND OPINION

**In Re: BellSouth Telecommunications, Inc.'s Entry into InterLATA Services Pursuant to
Section 271 of the Telecommunications Act of 1996**

Accepted: October 6, 1998 Issued: October 15, 1998

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OVERVIEW

INTRODUCTION

The Staff of the Georgia Public Service Commission ("Commission Staff") issues this Report and Opinion assessing the compliance of BellSouth Telecommunications, Inc. ("BellSouth" or "BST") with the checklist requirements of Section 271 of the Telecommunications Act of 1996. In this assessment, the Commission Staff evaluates whether BellSouth's compliance with the checklist has progressed sufficiently to warrant favorable consideration by the Federal Communications Commission ("FCC") of a BST application for in-region, interLATA (long distance) authority.

When the Georgia Public Service Commission ("Commission") opened this docket in August 1996, local exchange competition in Georgia had just commenced. The Commission had just established the wholesale discounts for BST's resold services, had begun issuing certificates of authority for competitive local exchange companies ("CLECs"), and was beginning to entertain petitions for arbitration under Section 251 and 252 of the Act. The Commission already had a well-established process for implementing number portability, had set interim prices for unbundled local loops, and had approved reductions in BellSouth's access rates both near the time of, and after BST's election of alternative regulation under the Georgia Telecommunications and Competition Development Act of 1995.

Two years later, much progress has been and continues to be made, as documented in this Report and Opinion. Such progress includes the development of regulatory rulings, guidelines and standards for the newly competitive market; the entry by and efforts of CLECs for business and (to a lesser extent) residential customers; and not least, BST's development of systems, programs, and procedures to enable competition. The Commission recognized this progress in its orders in Docket No. 7253-U, especially its July 22, 1998 decision approving BellSouth's Statement of Generally Available Terms and Conditions. As the Commission stated, BellSouth has expended substantial effort and made substantial progress to provide interconnection, collocation, unbundled network elements, facilities, services, rates, and related items to open its local exchange markets for competitors.

The Commission's Section 271 review in this docket extends the evaluation undertaken in approving BellSouth's SGAT. As the Commission stated in its orders in Docket No. 7253-U, approval of the SGAT pursuant to Section 252(f) was not tantamount to full endorsement of checklist compliance pursuant to Section 271. For example, BST's demonstrated ability to offer each SGAT item may or may not meet all applicable Section 271 requirements. Otherwise, the provisions of Section 271(c)(2)(B) would be void and unnecessary in the case of any BOC with an approved SGAT.

The establishment of performance measurements, which the Commission did in Docket No. 7892-U, and further development of the Operations Support Systems ("OSS") in Docket No. 8354-U, were important for approval of the SGAT. The Commission believes it is critical to extend these efforts by reviewing the performance data in determining whether BST complies with the competitive checklist by providing parity of service and a meaningful opportunity to compete. Therefore, the analysis of each checklist item includes evaluation of BST's evidence of success in provisioning facilities and services for commercial usage (and in the absence of commercial usage, any testing such as internal or third-party testing).

As discussed in this Report and Order, BST should cap its efforts with additional documentation in several areas to certify its checklist compliance for long-distance entry.

Overview - Context

The Commission has conducted proceedings in this docket and in related dockets, directly or indirectly pertaining to a prospective Section 271 application by BST.

The Commission initiated Docket No. 6863-U on August 23, 1996 to receive information relevant to a prospective Section 271 application by BellSouth. The first round of hearings was held March 3 through 7, 1997. A second round of hearings was held in July and August, 1997. By Commission Order issued in this docket on September 30, 1997, BST must provide the Commission with 30 days advance notice of the date it will file an application to the FCC for interLATA entry pursuant to Section 271.

The Commission opened Docket No. 7253-U on March 5, 1997 to review BST's Statement of Generally Available Terms and Conditions ("SGAT") on a combined record with Docket No. 6863-U. The SGAT was evaluated under Sections 251 and 252 of the Act, but if approved would be considered by the FCC as part of its evaluation of a BST Section 271 application. The Commission issued an Order on March 21, 1997, rejecting the SGAT on the basis that certain portions were premature or incomplete and thus did not meet all of the standards and requirements of Sections 251 and 252. The Commission kept the docket open for review of any revised SGAT BellSouth might file. The Commission issued an Order Scheduling Continued Review on May 6, 1997, and an Order Clarifying SGAT Decision on June 25, 1997. BellSouth filed its Revised SGAT on June 6, 1997. The second round of hearings was held in late July and August, 1997. Following consideration of all the evidence, the Commission issued an Interim Order on October 30, 1997, permitting the Revised SGAT to take effect and establishing related matters, including a technical workshop on Operations Support Systems ("OSS") issues in Docket No. 8354-U.

The Commission's decision permitting BST's Revised SGAT to take effect in Docket No. 7253-U was affirmed and further explained in the Commission's January 15, 1998 final Order. BellSouth filed a motion for reconsideration or clarification, asking that the Commission not preclude itself from issuing an opinion prior to a formal Section 271 application to the FCC as to whether BST complies with the 14-point competitive checklist. The Commission granted that clarification.

The Commission has also taken action on other matters under Sections 251 and 252 of the Act in Dockets No. 6352-U, 7061-U, 7892-U, 8354-U, and arbitration dockets (described in the following paragraphs). In Docket No. 6352-U, *AT&T Petition to Establish Resale Rules, Rates, Terms and Conditions and the Initial Unbundling of Services*, the Commission established the wholesale discounts to apply to BST's residential and business local exchange services when CLECs purchase those services for resale. The Commission also determined appropriate terms, conditions, and restrictions to be applied for such resale. These discounts, terms, conditions, and restrictions are reflected in BellSouth's Revised SGAT. The discounts established in Docket No. 6352-U may be reevaluated in the future, but they are not subject to any "true-up" provision.

In Docket No. 7061-U, *Review of Cost Studies, Methodologies, and Cost-Based Rates for Interconnection and Unbundling of BellSouth Telecommunications Services*, the Commission established cost-based rates for interconnection and unbundling of BST's telecommunications services. In the Commission's Order, issued December 16, 1997, the Commission also set rates for related items such as physical and virtual collocation, interim number portability, and access to poles, ducts, conduits, and rights-of-way.

In Docket No. 7892-U, *Performance Measurements for Telecommunications Interconnection, Unbundling and Resale*, the Commission reviewed and established performance standards and measurements, to be used in assessing the quality of BST's performance in providing resold services, unbundled network elements (network facilities), and related matters. Hearings were held November 17 through 19, 1997. The Commission reached its decision on December 30, 1997, which established a schedule and format for BST to report data showing its performance in providing services to CLECs necessary for those CLECs to provide services to their own customers. The Order reflecting this decision was issued on May 6, 1998.

In Docket No. 8354-U, *Investigation into Development of Electronic Interfaces for BellSouth's Operations Support*

Systems, the Commission conducted a Technical Workshop on December 9 through 10, 1997, to obtain information in a non-adversarial forum regarding solutions for perceived deficiencies in the electronic interfaces for access to BST's Operations Support Systems ("OSS"). CLECs use these OSS interfaces for such functions as placing orders for BST's services for resale and for its unbundled network elements (network facilities), in order to provide services to their own customers. The Staff issued a Report to the Commission on December 23, 1997, outlining perceived deficiencies and proposed solutions, including a schedule for implementing the proposed solutions and for filing progress reports. The Staff Report was presented for the Commission's consideration with testimony by the Staff and numerous parties on March 18, 1998. The Commission adopted the OSS Report by Order issued June 4, 1998, with a schedule for joint progress reports by BellSouth and CLECs.

The Commission conducted arbitrations in late 1996 and early 1997 under Sections 251 and 252 of the Act, which resulted in rulings and decisions that provided much of the substance incorporated into the Revised SGAT. These arbitrations involved BST as the incumbent LEC and were conducted for MFS (Docket No. 6759-U), AT&T (Docket No. 6801-U), MCI (Docket No. 6865-U), and Sprint (Docket No. 6958-U). Examples of matters resolved during the arbitrations and incorporated into the Revised SGAT include the list of network facilities that BellSouth is required to make available as unbundled network elements (UNEs); the policy for pricing UNEs when they are purchased in combinations to replicate existing BST retail services; and the formula LECs are to use for reciprocal compensation when they compensate each other when calls originate on one carrier's network and terminate on another carrier's network. AT&T and MCI have sought federal judicial review of the Commission's final approval of their arbitrated interconnection agreements. These matters and BellSouth's performance under the arbitrated interconnection agreements (which agreements were filed electronically under the arbitration docket numbers, for approval by the Commission) will be pertinent to a Section 271 application by BST.

Complaint proceedings have been conducted or are pending before the Commission. These proceedings include AT&T (Docket No. 6801-U, dismissed without prejudice), MCI (Docket No. 6865-U), and MFS/WorldCom (Docket No. 8196-U, specifically focusing upon issues of reciprocal compensation for Information (Internet) Service Provider ("ISP") traffic); as well as ICG (Docket No. 8899-U), e•spire (Docket No. 9281-U), and MGC (Docket No. 9414-U).

The Commission has issued approximately 74 interim certificates of authority to CLECs, as of the date of this Report and Opinion, all of whom have identified their target markets to be within BST and ALLTEL territories. In Docket No. 5778-U, the Commission established the application and reporting requirements for certificates of authority, and also established monthly data requests in order to collect data on the extent of CLEC activity.

The Commission has also reviewed and approved numerous negotiated interconnection agreements between BST and CLECs, pursuant to Sections 251 and 252. The matters contained in these agreements and BellSouth's performance thereunder will also be pertinent to a Section 271 application by BST.

STATEMENT OF PROCEEDINGS

Narrative Description of Proceedings

The Commission opened Docket No. 6863-U to obtain information pertinent to a prospective application by BellSouth Telecommunications, Inc. to the Federal Communications Commission for in-region interLATA authority pursuant to Section 271 of the Telecommunications Act of 1996. Later, the Commission opened Docket No. 7253-U to review BST's Statement of Generally Available Terms and Conditions pursuant to Section 252(f) of the Act, and consolidated the proceedings and record in both dockets for purposes of administrative convenience.

The FCC has 90 days after receiving the application, pursuant to Section 271(d)(3), to reach its determination. The FCC has issued a Public Notice establishing related procedures that provide (among other things) for the State commission's consultative recommendation within 20 days after the BOC's application.

In Administrative Session on August 20, 1996, the Commission approved the issuing of a Procedural and Scheduling Order for this docket. The Procedural and Scheduling Order was issued on August 23, 1996. Included in this Order was an Issues List, which all parties were to address both in their testimony and at the hearing. These issues were derived from Sections 271(c)(1)(A), 271(c)(2)(B), and 271(d)(3)(B) of the Act.

Notices of intervention were filed by the following parties: Access Network Services, Inc. ("ANSI"), AirTouch Cellular of Georgia ("AirTouch"), American Communications Services of Columbus, Inc. ("ACSI"), ATA Communications, LLC ("ATA"), AT&T Communications of the Southern States, Inc. ("AT&T"), BellSouth Long Distance, Inc. ("BSLD"), Cable Television Association of Georgia ("CTAG"), Competitive Telecommunications Association ("CompTel"), Consumers' Utility Counsel Division of the Governor's Office of Consumer Affairs ("CUCD"), Cox Enterprises, Inc. ("Cox"), Georgia Public Communications Association, Inc. ("GPCA"), Intermedia Communications, Inc. ("ICI"), LCI International Telecom Corp. ("LCI"), MCI Telecommunications Corporation ("MCI"), MFS Intelenet of Georgia ("MFS"), MultiTechnology Services, L.P. ("MTS"), Sprint Communications Company, L.P. ("Sprint"), and the Telecommunications Resellers Association ("TRA").

On September 6, 1996 BellSouth filed its Motion to Modify Procedural and Scheduling Order, asking for an extension. The Commission voted in Administrative Session on September 17, 1996 to revise the Procedural and Scheduling Order. After a meeting for all interested parties, the Commission voted at its December 17, 1996 Administrative Session to adopt a Second Revised Procedural and Scheduling Order.

The Commission issued a Notice on January 7, 1997, informing all parties that hearings would be conducted from January 28 through 31, 1997. On January 15, 1997, the Commission issued an Order Clarifying Requirement of Notice of 271 Application to the FCC, directing BellSouth to file a statement with the Commission specifying under which provision of Section 271(c)(1) it would submit its application to the FCC (*i.e.*, under "Track A" or "Track B"). The Order also directed BellSouth to file a notice with the Commission not less than 60 days prior to the filing of an application to the FCC. MCI filed a Motion for Summary Judgment on January 17, 1997. BellSouth filed a Notice on January 22, 1997 that it intended to file an application with the FCC for authorization to provide interLATA services originating within the state of Georgia.

From January 28 through January 31, 1997, the Commission held hearings regarding BellSouth's entry into interLATA service. The Commission also heard oral arguments on MCI's Motion to Summarily Dismiss BellSouth's petition for failure to proceed under "Track A" or "Track B" as specified in Section 271. The Commission held that it was not necessary for the Commission to decide at that time whether "Track A" or "Track B" would be applicable. The Commission did create a consolidated but separate docket, Docket No. 7253-U, to cover the proceedings on the Section 252(f) review of BST's Statement of Generally Available Terms and Conditions ("SGAT").

BellSouth filed a letter to the Commission's Chairman along with a Second Statement of Intent to File Section 271 Application with the FCC, on February 3, 1997. BellSouth declared that it intended to file with the FCC under "Track B" during the period of April 4 to May 5, 1997.

The January 1997 hearings were scheduled for continuation and additional hearings were held from March 3 through March 7, 1997. The Commission gave notice on February 27, 1997 that the hearings would conclude on March 7, 1997 and that briefs and/or proposed orders would be due at 4:00 p.m. on March 11, 1997. A Subpoena Duces Tecum was issued to BellSouth Advertising and Publishing Corporation ("BAPCO") at the request of AirTouch Cellular of Georgia, requiring BAPCO to testify before the Commission during the March 3 through 7, 1997 hearings. The Commission accepted pre-filed direct testimony for the hearing from the following parties: ANSI, AT&T, BST (including rebuttal testimony), BSLD (including rebuttal testimony), ICI, MCI, MFS, and Sprint.

On March 5, 1997 the Commission notified the parties that it was revising the Scheduling Order and that a Special Administrative Session would be held on March 20, 1997. During the Special Administrative Session the Commission rendered a decision in Docket No. 7253-U regarding BST's SGAT pursuant to Section 252(f) of the Act. Briefs were scheduled to be filed on March 25, 1997 but were stayed pending further order of the Commission. On March 31, 1997 BST filed its Motion for Rehearing and Clarification, or in the Alternative, for Further Consideration of the Commission's SGAT decision. On May 15, 1997 BST filed its Supplemental Memorandum in Support of its Motion for Rehearing and Clarification or, in the Alternative, for Further Consideration.

On April 29, 1997 the Commission issued an Order setting forth the briefing schedule for this docket, requiring that briefs be filed no later than May 23, 1997. On May 23, 1997 the following participants filed Post-Hearing Briefs: ACSI, AT&T, BST, BSLD, CTAG, CompTel, CUCD, MCI, MFS, Sprint, and TRA. Additionally, BellSouth filed a Notice of Filing consisting of 87 binders of documentation for Docket No. 6863-U. BellSouth also filed on June 9, 1997, another notice of Application for Entry into interLATA Services Pursuant to Section 271 of the

Telecommunications Act of 1996.

On June 9, 1997 AT&T filed its Emergency Motion to Postpone Rebuttal Testimony and Hearing to Convene a Status Conference, and to Re-Set the Schedule. MFS and CTAG filed similar requests and BST responded. The Commission met and heard arguments from the interested parties. As a result of this hearing, a Revised Procedural and Scheduling Order for the SGAT was adopted on June 10, 1997 directing BST to file testimony regarding its Revised SGAT by June 23, 1997. Testimony in response to BST's Revised SGAT was due by July 3, 1997 and hearings were scheduled for July 14 through July 17, 1997.

On June 20, 1997 MCI presented a Joint Motion for Ruling on BellSouth's Ineligibility for "Track B." BellSouth responded to this motion on July 1, 1997 and presented a Motion to Clarify the Scope of Proceeding. The parties submitted pre-filed testimony beginning on July 2, 1997. Testimony was filed by ACSI, AT&T, BellSouth (including rebuttal testimony), ICI, MCI, MFS, and Sprint. On August 20, 1997, the following parties filed post-hearing briefs: ACSI, AT&T, BST, BSLD, CompTel, CUCD, LCI, MCI, MFS, Sprint, and TRA. ICI filed a letter in lieu of post-hearing brief on August 20, 1997.

The Commission issued an Order on September 30, 1997, clarifying that BellSouth remained obligated to provide advance notice of its prospective Section 271 application to the FCC, and modifying the advance notice period to 30 days.

The Commission considered BST's Revised SGAT in Docket No. 7253-U, and issued an Interim Order allowing the Revised SGAT to take effect on October 30, 1997. The Commission issued its more detailed Order documenting this decision, on January 15, 1998.

BellSouth filed a Motion for Reconsideration and Clarification regarding the Order in Docket No. 7892-U specifically asking the Commission to state that it would issue a recommendation regarding BST's compliance with Section 271 prior to BellSouth's FCC application. The Commission issued an Order on BellSouth's Motion on March 12, 1998, clarifying that it has reserved the option of issuing an opinion prior to BellSouth's Section 271 application to the FCC.

The Commission issued a Procedural and Scheduling Order for Comments on BellSouth's Section 271 Application, on April 21, 1998. Comments were to address each of the 14 items of Section 271 individually and be limited to three pages per item. Record citations from the following dockets were accepted: GPSC Docket Nos. 6352-U (wholesale discounts for resale), 6863-U (Section 271), 7253-U (SGAT), 7061-U (cost-based rates for unbundled network elements and related items), 7892-U (performance measurements), and 8354-U (Operations Support Systems ("OSS")). Citations to orders of the Commission or the FCC were also accepted. Additionally, the parties were invited to address whether BellSouth met the requirements to qualify for "Track A" or "Track B" under Section 271 (with references to relevant data from the local services indicators data requests in Docket No. 5778-U).

On May 13, 1998 MCI filed a motion for modification of procedure. BST filed its objection to MCI's motion on May 22, 1998. ICI filed a response in support of MCI's motion on May 28, 1998.

On May 27, 1998 BellSouth filed its Notice of Intent and Motion, giving notice of its intent to file an application with the FCC under "Track A" of Section 271 for authorization to provide interLATA services in Georgia. Public Notice of Comment Filing Deadline Regarding BellSouth's Prospective 271 Application was given by the Commission on May 28, 1998, setting June 8 as the deadline for filing comments.

In Administrative Session on June 2, 1998 the Commission considered and denied MCI's motion to modify its April 21, 1998 Procedural and Scheduling Order. The Commission issued an Amendatory Procedural and Scheduling Order on June 4, 1998, regarding the status of the proceedings in Dockets No. 6863-U and 7253-U. The Amendatory Procedural and Scheduling Order encouraged BST to clarify its intentions with respect to potential motions for reconsideration or appeal of related dockets, and pushed back the deadline for comments to June 15, 1998. On June 15, 1998, the Commission also issued an Order on Motion for Modification of Procedure, reflecting its denial of MCI's motion and affirming its procedural and scheduling orders in Dockets No. 6863-U and 7253-U.

On June 10, 1998 Globe Telecommunications, Inc. ("Globe"), ICG Telecom Group, Inc. ("ICG"), Knology of Georgia, Inc. ("Knology"), MediaOne, Inc. ("MediaOne"), and NEXTLINK Georgia, Inc. ("NextLink") filed Applications for

Leave to Intervene. Motions for Leave to file comments with new material were filed by MGC Communications, Inc. ("MGC") and Intermedia Communications, Inc. on June 12, 1998 and June 15, 1998, respectively. BellSouth filed its Opposition to Additional Material on June 19, 1998. KMC Telecom, Inc. ("KMC") filed a Response to BST's opposition on June 30, 1998, while Globe and Knology filed their Responses on July 9, 1998.

Comments were filed on June 15, 1998 by the following parties: AT&T, BellSouth, CTA, CTAG, CUCD, e• spire, Globe, ICG, ICI (including Leave to File Comments with New Evidence), ITC^DeltaCom, KMC, Knology, LCI, MCI, MediaOne, NextLink (including Motion for Leave to File New Evidence), Sprint, Teleport (including Petition to Intervene), TRA, and WorldCom.

Pursuant to the Commission's June 4, 1998 Amendatory Procedural and Scheduling Order, BST outlined its intentions regarding the related Dockets No. 7061-U (costs), 7892-U (performance measurements), and 8354-U (OSS). BellSouth stated that it had no intention to file for reconsideration in Dockets No. 7892-U (performance measurements) or 8354-U (OSS). BellSouth previously sought reconsideration in Docket No. 7061-U, but the Commission denied all motions for reconsideration including the one filed by BST. BellSouth stated that it would not seek an appeal of Docket No. 7061-U, but noted that AT&T has already done so (by consolidation with AT&T's appeal in federal court of the Docket No. 6801-U arbitration), and BST reserved its right to counterclaim and/or cross-claim in any such proceedings. These assurances notwithstanding, BST reserved its right to seek modification of the Commission's decision in Docket No. 7892-U (performance measurements), to reflect changing national standards, FCC requirements, or other developments. Additionally, BellSouth stated that it did not intend to file with the FCC prior to the latter part of July 1998.

The Commission issued an Order on July 30, 1998 regarding parties' motions for leave to submit new material. The Commission ruled that it would not alter its April 21, 1998 Procedural and Scheduling Order, and therefore generally denied the motions insofar as they sought to introduce new factual allegations. However, the Commission also clarified that it would accept material of record in the related dockets (identified in the April 21, 1998 order as cited above), and would accept references to and discussion of orders issued by the Commission or by the FCC in any proceeding.

Timeline List of Actions in Dockets No. 6863-U and 7253-U

| Date | Who | What |
|--------------------|------------|---|
| August 20, 1996 | GPSC | In Administrative Session, approved the issuing of a Procedural and Scheduling Order. |
| August 23, 1996 | GPSC | Issued Procedural and Scheduling Order for Hearing |
| September 6, 1996 | BellSouth | Files Motion to Modify Procedural and Scheduling Order (requested extension) |
| September 17, 1996 | GPSC | In Administrative Session, voted to revise the Procedural and Scheduling Order |
| November 5, 1996 | GPSC | In Administrative Session, approved the revised Procedural and Scheduling Order |
| November 8, 1996 | GPSC | Issued Revised Procedural and Scheduling Order |
| December 13, 1996 | GPSC | Pre-Hearing Meeting of the Parties |

| | | |
|--|-------------|--|
| January 3, 1997 | BellSouth | Pre-filed Direct Testimony |
| January 14, 1997 | GPSC | Issued Order Clarifying Requirement of Notice of Section 271 Application to FCC |
| January 22, 1997 Note: 60-Day Clock starts Date: March 23, 1997 Note: 20-Day Clock starts Date: April 12, 1997 | BellSouth | Filed Notice of Section 271 Application to FCC and Statement of Generally Available Terms and Conditions |
| January 28-31, 1997 | GPSC | Hearing on BellSouth Entry |
| January 30, 1997 | GPSC | Separated SGAT and 271. |
| February 14, 1997 | All Parties | Pre-filed Testimony |
| February 21, 1997 | BellSouth | Pre-filed Testimony |
| March 3-7, 1997 | GPSC | Hearing for the Parties |
| March 14, 1997 | All Parties | Briefs Filed for SGAT |
| March 20, 1997 | GPSC | Decision on SGAT |
| March 25, 1997 | All Parties | Briefs Filed for Section 271 |
| April 29, 1997 | GPSC | Order setting forth Briefing Schedule in Section 271 |
| May 23, 1997 | All Parties | Post-Hearing Briefs for Section 271 |
| June 6, 1997 | All Parties | Pre-filed Direct Testimony |
| June 6, 1997 | BellSouth | Revised Statement of Generally Available Terms and Conditions and Notice of Filing |
| June 9, 1997 | BellSouth | Statement of Generally Available Terms and Conditions under Section 252(f) of the Telecommunications Act of 1996 |
| June 9, 1997 | BellSouth | BellSouth's Entry into InterLATA Services Pursuant to Section 271 of the Telecommunications Act of 1996 |
| June 20, 1997 | GPSC | Revised Procedural and Scheduling Order for SGAT |
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|--------------------------|-------------|---|
| June 23, 1997 | BellSouth | Pre-filed Testimony of Revised SGAT |
| June 25, 1997 | GPSC | Order Clarifying Previous SGAT Decision |
| July 3, 1997 | All Parties | Pre-filed Testimony |
| July 11, 1997 | BellSouth | Pre-filed Rebuttal Testimony of BellSouth's Witnesses |
| July 14 – August 1, 1997 | All Parties | Hearing on Revised SGAT |
| August 20, 1997 | All Parties | Post-Hearing Briefs on Revised SGAT |
| September 25, 1997 | BellSouth | Letter granting extension for completion of review of its Statement of Generally Available Terms and Conditions to October 30, 1997 |
| September 30, 1997 | GPSC | Order directing BellSouth to provide Commission with a minimum 30-day notice in advance of the date it files its Section 271 application to the FCC for in-region interLATA authority |
| October 24, 1997 | GPSC | Commission Staff's summary matrix of its recommendations in SGAT |
| October 30, 1997 | GPSC | Interim Order regarding Revised Statement |
| January 15, 1998 | GPSC | Order regarding Revised Statement |
| March 27, 1998 | BellSouth | Revised and Updated Statement of Generally Available Terms and Conditions for Interconnections, Unbundling and Resale (SGAT) |
| March 31, 1998 | BellSouth | Summary of changes to SGAT and Summary of changes to Collocation Handbook which were omitted from its revised SGAT filing |
| April 21, 1998 | GPSC | Procedural and Scheduling Order for Comments |
| April 28, 1998 | BellSouth | Notice of Amendments to Statement of Generally Available Terms and Conditions |
| May 1, 1998 | BellSouth | Collocation Handbook which is Attachment K to BellSouth's SGAT |
| May 5, 1998 | GPSC | Amendatory Procedural and Scheduling Order for Comments |
| May 8, 1998 | BellSouth | |

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| | | Revisions to SGAT submitted in accordance with the Commission's orders of April 21 and May 5, 1998 |
| May 13, 1998 | MCI | Motion for modification of procedure |
| May 22, 1998 | All Parties | Comments regarding BellSouth's SGAT |
| May 27, 1998 | BellSouth | Notice of Intent and Motion to file an application with the FCC for authorization to provide in-region interLATA services in Georgia |
| May 28, 1998 | GPSC | Public Notice of Comment Filing Deadline Regarding BellSouth's Prospective 271 Application |
| June 4, 1998 | BellSouth | Notice of Filing of 271 Application |
| June 4, 1998 | GPSC | Amendatory Procedural and Scheduling Order |
| June 15, 1998 | All Parties | Comments Regarding BellSouth's Notice of Application Pursuant to Section 271 |
| June 15, 1998 | GPSC | Order denying Motion to Modify Procedure |
| July 23, 1998 | GPSC | Order Conditionally Approving Revised SGAT with Modifications |
| July 30, 1998 | GPSC | Order on Motions for New Material |
| August 6, 1998 | BellSouth | Compliance Filing of Statement of Generally Available Terms and Conditions, containing PSC-directed modifications |
| October 1, 1998 | GPSC Staff | Summary of the Commission Staff's Initial Conclusions Regarding BellSouth's Section 271 Checklist Compliance |
| October 6, 1998 | GPSC Staff | Letter to BellSouth regarding requests for information and setting discovery meeting |
| October 6, 1998 | GPSC | In Administrative Session accepted the GPSC Staff Report and Opinion and adopted Procedural and Scheduling Order |
| October 8, 1998 | GPSC Staff | Discovery meeting |
| October 15, 1998 | GPSC | Issued Procedural and Scheduling Order |
| October 15, 1998 | GPSC Staff | Issued Report and Opinion of the GPSC Staff |

JURISDICTION

The federal Telecommunications Act of 1996 ("Act") provides that a Bell Operating Company ("BOC") may apply to the Federal Communications Commission ("FCC") for authority to provide in-region interLATA telecommunications service originating in any BOC in-region state. Pursuant to Section 271 of the Act, the BOC must file a state-specific application for in-region interLATA authority for each of the states in which the BOC provides local exchange telecommunications service as an incumbent local exchange carrier ("ILEC"). The Fifth Circuit Court of Appeals recently upheld the validity of Section 271 and related restrictions of the Act.

Before the FCC renders a decision on the BOC application, "[t]he Commission shall consult with the State commission of any State that is the subject of the application in order to verify the compliance of the Bell operating company with the requirements" of 47 U.S.C. ' 271(c). The FCC shall also consult with the U.S. Attorney General.

The requirements of Section 271(c) include a competitive checklist of 14 items to ensure that the BOC provides nondiscriminatory access to competitive local exchange companies. Virtually all of these checklist items cross-reference or duplicate substantially other sections of the Act, principally Sections 251 and 252(d).

The Georgia Public Service Commission has conducted extensive proceedings, in this docket and in related dockets, making determinations pursuant to the Act. Many of these determinations have been reflected in the Commission's decisions regarding BellSouth's Statement of Generally Available Terms and Conditions in Docket No. 7253-U under Sections 251 and 252(d), as well as other pertinent provisions of the Act and of State law. The subsequent discussion of Related Dockets provides more information on Commission determinations under Sections 251 and 252(d) that have provided much of the framework for BellSouth's progress in meeting the requirements of the Act.

The Commission opened this docket to gather information on BellSouth's compliance with the Act's requirements, particularly the 14-point competitive checklist of Section 271(c)(2)(B). Having reviewed the extensive information in this voluminous record, the Commission is well positioned to offer this Report and Opinion. This does not constitute an "order" of the Commission; it is the function of the FCC rather than the State commission to decide BellSouth's compliance. However, this Report and Opinion does reflect the Commission's carefully considered views upon analysis of the relevant facts and legal standards.

The Commission's Report and Opinion considers the record in this proceeding, the parties' comments which also referenced matters of record in the Related Dockets, and the FCC's guidelines for review of Section 271 applications.

The FCC observed that "Congress has afforded the states an opportunity to present their views regarding the opening of the BOCs' local networks to competition." The FCC concluded that the 1996 Act does not prescribe any standard for its consideration of a State commission's input under Section 271(d)(2)(B). Therefore, the FCC found it had discretion in each Section 271 proceeding to determine what deference, if any, the FCC should accord the State commission's verification of a BOC's compliance with Section 271. The FCC's primary concern with regard to the State commission's consultative role is the nature and extent of the State's proceedings to develop a complete record concerning the applicant's compliance with Section 271 and the status of local competition.

Competitive Checklist

The BOC must show that it meets the requirements of the "competitive checklist" in Section 271(c)(2)(B) before it may receive authorization to offer in-region interLATA service. This checklist calls for the following 14 items:

1. Section 251 interconnection;
2. Section 251 nondiscriminatory access to network elements;
3. Nondiscriminatory access to poles, ducts, conduits, and rights of way at just and reasonable rates;
4. Unbundled local loop;
5. Unbundled transport;
6. Unbundled switching;
7. Nondiscriminatory access to 911/E911, directory assistance, and operator call completion services;
8. White pages directory listings;
9. Nondiscriminatory telephone number assignment;
10. Access to databases and signaling;
11. Number portability;
12. Information for local dialing parity;
13. Reciprocal interconnection compensation; and
14. Resale at wholesale rates.

The FCC has stated that a BOC's "promises of future performance to address particular concerns raised by commenters have no probative value in demonstrating its present compliance with the requirements of section 271." BellSouth has the burden of proving present compliance with the requirements of Section 271, and must support its application with actual evidence of present compliance with Section 271.

"Track A or B"

A Section 271 applicant must qualify under one of two tracks in order to proceed with its application. "Track A" pertains where the applicant is providing access and interconnection to CLECs pursuant to one or more interconnection agreements. "Track B" pertains where the applicant is offering access and interconnection pursuant to a Statement of Generally Available Terms and Conditions. Section 271(c)(2) specifically provides:

47 U.S.C. § 271(c)(2) Specific Interconnection Requirements.-

(A) Agreement Required. - A Bell operating company meets the requirements of this paragraph if, within the State for which the authorization is sought -

(i)(I) such company is providing access and interconnection pursuant to one or more agreements described in paragraph (1)(A), or

(II) such company is generally offering access and interconnection pursuant to a statement described in paragraph (1)(B), and

(ii) such access and interconnection meets the requirements of subparagraph (B) of this paragraph.

Under "Track A," the BOC must be a party to at least one binding and fully implemented interconnection agreement

whereby the BOC is providing access to its network facilities for the network facilities of one or more unaffiliated competing providers. The State commission must have approved the agreement. Where there are multiple competitors, as is the case with BellSouth, the interconnection agreements must collectively cover both residential and business customers. In addition, the competitors must be serving enough customers so that they represent an actual commercial alternative.

This Commission's consultative role under Section 271(d)(2)(B) covers the 14-point checklist, and does not extend to the issue of BellSouth's eligibility to proceed under Track A or Track B. However, the information necessary to determine such eligibility comprises part of the status of local competition which this State commission is well positioned to address.

A key issue in determining Track A eligibility is whether one or more CLECs is providing residential customers with facilities-based local service. Two CLECs have begun to offer facilities-based local service to residential customers, albeit on a limited basis. Despite the controversy over parsing the various possibilities, it is clear, given the existence of facilities-based local competition for business customers, that the emergence of facilities-based competition in residential local service should establish BellSouth's eligibility under Track A.

Public Interest

Among the findings that the FCC must make before approving a BOC's application is that "the requested authorization is consistent with the public interest, convenience, and necessity." 47 U.S.C. § 271(d)(3)(C). Several factors play a role in this determination.

One factor the State commission can assist in illuminating is the progress of local competition. The FCC has stated that this factor is relevant to the public interest inquiry, and recognized that State commissions are well situated to gather and evaluate this information.

This Commission has gathered information on the state of local competition through CLEC responses to data requests in Docket No. 5778-U. A copy of the Commission Staff's most recent report of this information is attached to this Report and Opinion.

Perusal of the Docket No. 5778-U report reveals that the most significant amounts of CLEC activity have developed in the business sector with facilities-based and resale competition, and in the residential sector with BST local services resold for prepaid toll-blocked services to customers who are unable to meet BellSouth's credit or deposit requirements. Little activity has developed in the residential arena for standard (non-prepaid), facilities-based local services, although two CLECs have begun to offer such services. These two CLECs are MediaOne and MGC.

BellSouth submitted testimony in this docket supporting its argument that the public interest will be served by its entry into in-region long distance markets. BellSouth asserted that its affiliate BSLD would be a significant player, stimulating true price competition in long distance. Its ability to do this would be afforded by its name recognition and customer base in the relevant markets in the short run, supplemented in the longer run by its potential ability to make use of BellSouth affiliated networks (when and as permissible under Section 272 and other pertinent sections of the Act).

The FCC has stated that if a BOC applicant has not met the checklist requirements and/or the eligibility requirements of Track A or B, then it need not address whether that applicant has demonstrated consistence with the public interest, convenience, and necessity.

The Department of Justice has expressed the opinion that requiring full and irreversible opening of local markets to competition as a precondition to BOC long distance entry is essential to ensure that local market opening is not unreasonably delayed and that markets for local and long distance services are protected against possible competitive harms. Concomitantly, the Department of Justice believes that "significant barriers to local entry" must be removed. These factors apparently would augment the basic checklist requirements.

This Commission does not reach a conclusion regarding these disputes over the "public interest test." The Commission's consultative role under Section 271(d)(2)(B) does not extend to this issue. In any event, this debate

would not yet be ripe for resolution given the assessment of BellSouth's current checklist compliance as discussed in this Report and Opinion.

Other Matters

The FCC must determine other factors that are not expressly the subject of the State consultation. The FCC must determine whether the BOC meets Section 272 requirements, including the establishment of a separate long distance subsidiary and the satisfaction of nondiscrimination conditions. (BellSouth Long Distance, Inc. ("BSLD") has been established as the long distance subsidiary in this case.) The BOC must also comply with other restrictions in the Act, recently upheld by the Fifth Circuit Court of Appeals. The Department of Justice is of the opinion that local competition must be "irreversibly" in place within the BOC's operating territory. There can be little doubt that the BOC must show its local markets are truly open to competition by fully implementing and meeting the requirements of Section 271.

ANALYSIS OF INDIVIDUAL CHECKLIST ITEMS

Checklist Item 1 (Interconnection)

Statutory Section

Section 271(c)(2)(B)(i) - Interconnection in accordance with the requirements of Sections 251(c)(2) and 252 (d)(1).

Interconnection is necessary so that local exchange customers served by one company are able to call customers served by a different company. This checklist item requires BST to allow requesting carriers to link their networks to BST's network for the mutual exchange of traffic. To fulfill the nondiscrimination obligation, BST must show that it provides interconnection at a level of quality that is indistinguishable from that which BST provides itself, a subsidiary, or any other party.

This checklist item incorporates the requirements of Sections 251(c)(2) and 252(d)(1). Section 251(c)(2) requires BST to provide, for the facilities and equipment of any requesting telecommunications carrier, interconnection with the network for the transmission and routing of telephone exchange service and exchange access. Such interconnection must be provided at any technically feasible point within BST's network; at least equal in quality to that provided by BST to itself or to any subsidiary, affiliate, or any other party to which BST provides interconnection; on rates, terms, and conditions that are just, reasonable, and nondiscriminatory, in accordance with the agreement and the requirements of Sections 251 and 252.

Section 251(c)(6) requires BST to provide physical collocation of equipment necessary for interconnection unless the LEC can demonstrate that physical collocation is not practical for technical reasons or because of space limitations. In that event, the incumbent LEC is still obligated to provide virtual collocation of interconnection equipment.

Section 252(d)(1) provides that determinations by a State commission of the just and reasonable rates for interconnection shall be based on the cost of providing the interconnection, nondiscriminatory, and may include a reasonable profit.

Positions of Parties

Following are summaries of the positions submitted by interested parties:

BST argued that it has satisfied this requirement by providing for complete and efficient interconnection of requesting telecommunications carriers' facilities and equipment with BST's network. In addition to the preferred mode of interconnection at the access tandem and end offices, BST offers interconnection at its local tandem as well. BST has adopted and committed to broad and detailed performance measurements and reporting, including measurement data on interconnection. In addition to interconnection through the purchase of facilities, BST also provides interconnection through physical and virtual collocation. The large numbers of collocation arrangements in place and in progress, together with the extent to which Competitive Local Exchange Companies ("CLECs") are interconnected to BST's network, demonstrates that BST has satisfied Checklist Item No. 1.

AT&T contended that BST does not provide access and interconnection at any technically feasible point equal in quality to the access BST provides itself. AT&T has attempted to interconnect with BST's network in order to provide AT&T's Digital Link service ("ADL"). BST and AT&T established and agreed to a process for ADL interconnection across the BST region, and AT&T attempted to interconnect ADL in Georgia in accordance with this process. However, according to AT&T, the process did not work. AT&T's experience revealed that the methods and procedures used by BST are inadequate to provide nondiscriminatory access in the world of local competition. Further, BST also enforces requirements that make interconnection more costly than it should be, such as limiting CLEC interconnection at the access tandem. Although BST now states that it will offer access at the local tandem, it has not stated that it will send its traffic back to the CLEC via the local tandem. AT&T concluded that CLEC experience thus demonstrates that BST does not provide nondiscriminatory interconnection equal in quality to that which it provides itself.

CTAG argued that BST's interpretation of the FCC's rule for determining the demarcation point for Multiple Dwelling Units ("MDU") wiring is flawed. BST's basic position appears to be that its network extends all the way up to each individual unit in a MDU. CTAG asserted that the proper interpretation is that CLECs should have free access to telephone wiring on all MDU premises. According to CTAG, BST's current policy is unreasonable and discriminatory, thus BST has not satisfied Item 1 of the 14-point checklist.

CompTel contended that BST has failed to satisfy Checklist Item No. 1 because it has failed to provide interconnection with its network that is at least equal in quality to that provided by BST to itself, its subsidiaries, or any other party to which it provides interconnection as required by Section 251(c)(2)(C). The Commission's adoption of the Staff Recommendation specifying improvements that need to be made in BST's Operations Support Systems ("OSS") and establishing OSS performance standards also demonstrates that BST is not currently providing interconnection to competitors at parity with what it provides itself.

ICG stated that BST is not in compliance with this Checklist Item because it has refused to provide ICG with interconnection to BST's network for the transmission and routing of telephone exchange service at a technically feasible point within BST's network, at which BST provides interconnection to itself and other parties. Additionally, ICG showed that Teleport has filed a complaint against BST for refusal to negotiate for interconnection of their frame relay services. Because of BST's refusal to interconnect with ICG at BST's Buckhead tandem, the Commission must find that BST is not in compliance with this Checklist Item.

Intermedia related that BST has failed to provide "cageless collocation" even though Intermedia has asked for this type of physical collocation for the past one and one-half years. BST is obligated to pay reciprocal compensation by the terms of its interconnection agreement, however, it has failed to comply with this portion of the interconnection agreements with the CLECs.

MCI asserted that BST has failed to provide interconnection that is equal in quality to what BST provides itself for the following reasons: (1) BST has mishandled cutovers in service; (2) BST has failed to provide sufficient information concerning trunk blockage; (3) BST has delayed implementation of local tandem interconnection; and (4) BST has failed to provide selective routing on reasonable terms.

MediaOne stated that it has suffered blockage of calls from BST's network and has lost customers because of this blocking. Because of these difficulties, BST agreed to a three-phase plan to prevent blocking of calls to MediaOne which consisted of installing a specified number of trunks by certain due dates. However, as of June 1998, BST had only installed a fraction of the trunks agreed to and had not provided a satisfactory explanation for the delay or firm

alternate dates when the trunks would be available. MediaOne is also currently involved in an ongoing dispute with BST concerning the payment of reciprocal compensation for traffic to Internet Service Providers ("ISPs"). Accordingly, the Commission should hold that BST does not meet this Checklist Item because of BST's failure to meet its obligations with regard to reciprocal compensation and until its service quality problems are resolved.

MGC noted that it has experienced some difficulties with collocations, cage and transport provisioning, however, MGC is not contending that BST has failed to comply with the Interconnection requirement of Section 271(c).

Sprint urged that BST's application be rejected because it is based on rates which do not reflect the proper handling of Non-Recurring Charges ("NRCs") and does not offer geographically deaveraged prices for Unbundled Network Elements ("UNEs"). Sprint explained that unreasonably high NRCs constitute a barrier to entry because CLECs may not be able to pass through the full cost of the NRCs to their customers. Thus CLECs will likely have to recover at least part of the cost of the NRC through the slim margins on monthly charges that CLECs receive. Sprint also noted that Incumbent Local Exchange Carriers ("ILECs") should geographically deaverage prices for network elements because switching and transport costs are a function of traffic density and should be deaveraged to reflect multiple cost bands. Sprint also stated that the terms and conditions governing a CLEC's access to UNEs, including the rates for such access, must be carefully established to ensure that they allow for sustained and effective competition and it is Sprint's opinion that this is not the case with BST. Therefore, Sprint requested that the Commission determine that BST has not complied with this Checklist Item.

TRA alleged that BST is not in compliance with this Checklist Item because: (a) BST is not providing interconnection at parity; (b) BST is unlawfully withholding payments for interconnection compensation; (c) BST has not complied with the Commission's performance criteria; and (d) BST's OSS have not been sufficiently implemented.

TCG stated that BST has failed to provide interconnection services to TCG and to other CLECs at parity. This is evident from BST's failure to provide TCG with frame relay interconnection, physical collocation at any technically feasible point, and physical collocation on rates, terms and conditions as mandated by the Commission. TCG further stated that BST has refused to provide performance reports and data for BST and the CLECs that demonstrate that BST is providing interconnection services at parity throughout Georgia.

WorldCom related that the Commission's final orders in the Performance Standards and OSS dockets have only recently been released and not enough time has passed for the Commission to determine if BST is meeting the performance standards and complying with the Commission's decisions. Additionally, WorldCom urged the Commission to develop procedures to address the apparent increasing shortage of collocation space. It would be necessary for such procedures to require BST to notify the Commission if there is no physical collocation space available and to provide a mechanism for the Commission to make a determination as to the lack of space in an expedited manner. It was WorldCom's opinion that until BST has a proven track record of compliance with the Commission's Orders in Docket Nos. 7892-U and 8354-U; has adequate procedures in place to address denials of collocation requests; and deaverages the rates for UNEs, the Commission should find that BST has not complied with Checklist Item No. 1.

Commercial Usage and Compliance

General Description

BST provides for interconnection at the access tandem, end offices, and local tandem. BST also provides interconnection through physical and virtual collocation.

BST's Statement of Generally Available Terms and Conditions conditionally approved in Docket No. 7253-U on August 6, 1998 concluded that BST was providing interconnection through virtual collocation, physical collocation and interconnection via purchase of facilities. The SGAT states that interconnection is currently available at the following points:

- a. Line-side of local switch;
- b. Trunk-side of local switch;

- c. Trunk interconnection points for tandem switch and local tandem switch;
- d. Central office cross-connect points;
- e. Out-of-band signal transfer points.

BST will also provide local interconnection at any other technically feasible point, including meet point interconnection arrangements. Requests for interconnection at other points may be made through the Bona Fide Request process set out in Attachment B of the SGAT.

To the extent a CLEC provides intraLATA toll service to its customers, it may be necessary for it to interconnect to additional BST access tandems that serve end offices outside the local calling area.

Detailed guidelines for collocation are set out in BST's Handbook for Collocation, which has been incorporated as part of the SGAT pursuant to the Commission's decisions in Docket No. 7253-U. As of August 1, 1998, BST has completed 43 virtual and 25 physical collocation arrangements.

In compliance with the Commission's July 22, 1998 Order (page 46 of 61) in Docket No. 7253-U, BST modified its SGAT to provide that it will notify the Commission in writing when it determines there is insufficient space available at a certain location to accommodate a request for physical collocation. Any reference to a term, rate or condition involving collocation must be incorporated into the Revised SGAT in order for that term, rate or condition to be effective; and any proposed change must be specified in BST's 30-day notice to the Commission.

BST's report of August 25, 1998, in relation to Docket No. 5778-U, provided information concerning Local Service Indicators. The report reflected that as of August 1, 1998, approximately 46 Georgia CLECs were providing an estimated 111,412 local service lines in the State to business and residential customers. Four CLECs were provisioning service exclusively over their own facilities, 14 were provisioning both facility-based and resold services in combination, and 28 were serving customers on a resale-only basis. It is estimated that 25 CLECs provide approximately 61,467 local residential lines and 41 CLECs provide approximately 49,549 local business lines. Also reported was the fact that approximately 2,807 unbundled loops and 59,202 local interconnection trunks were in service as of August 1, 1998. It was also noted that 42 of the 46 CLECs active in Georgia had completed orders for the provisioning of BST-provided retail services and had provisioned approximately 92,029 resold local exchange service lines with over 250,000 additional resold retail telecommunications service features.

CLEC responses to the Commission's Local Service Indicator Data Requests in Docket No. 5778-U reflect that as of August 1, 1998, competing carriers were serving 49,696 customers utilizing 111,757 access lines. This data reflects responses from 39 of 77 (51 percent) of the certified CLECs in the state. The disparity revealed, in comparing the BST data with that filed by the CLECs, is largely attributed to the fact that only 51 percent of the CLECs certified by the Commission responded to the request for information.

Following is a summary of information collected by the Commission in Docket No. 5778-U from CLEC responses to the Commission Staff's data requests, as well as information submitted by BellSouth, regarding key indicators of competitive local service activity.

Summary of D-5778-U Data Local Service Indicators Data Request

| D-5778-U Data Requests #2 | CLEC Responses* | BST Responses** |
|----------------------------------|------------------------|------------------------|
| 1. No. of Customers of CLECs | 49,696 | Not Available |
| | | |

| | | |
|--|---------------------------------|---|
| 2. No. of Access Lines used by CLECs | 111,757 | 111,412 |
| 3. No. CLECs providing Residential | 14 | 25 |
| a. No. over Own Facilities | 3 | 4 |
| b. No. over Combined Facilities | 2 companies/ 220 customers | 4 companies/ 3,342 lines |
| c. No. served by Resale | 39,693 customers | 58,125 lines |
| f. Total No. of Residential Lines | 40,542 | 61,467 |
| 4. a. & b. No. providing Business | 18 | 18 |
| c. No. Business Customers over Resold | 8 Companies/ 3,610 customers | 41 companies/ 33,508 lines |
| f. No. of Business lines of CLECs | 65,156 | 49,549 |
| 5. UNEs purchased | 6 Companies/ 5,150 Units | 18 CLECs/59,202 Local Interconnection Trunks |
| 6. No. of Retail Services Being Resold | 12 Companies/630 Services | 42 Companies/92,029 Resold Lines & 250,000 Add'l Service Features |

* Summary of 5778-U Data Request 2, July 31, 1998 Report, 51% of CLECs responding.

** Affidavit of BellSouth, Local Service Indicators Data Request, D-5778-U, Aug. 25, 1998.

Cost

The Commission established rates for interconnection based on a Total Element Long-Run Incremental Cost ("TELRIC") methodology in Docket No. 7061-U, in accordance with Section 252(d)(1) of the Act (see Docket No. 7061-U Order, Appendix A, Sections C and D). These rates are also reflected in Attachment A of BST's SGAT. For example, the recurring rate for End Office Interoffice Trunk Port – Shared, Per MOU, is \$0.0001564. The recurring rate for Tandem Interoffice Trunk Port – Shared, Per MOU, is \$0.0002126. The recurring rate for Local Channel - Dedicated - 2-Wire Voice Grade is \$13.91.

Collocation rates as established by the Commission in Docket No. 7061-U (see Docket No. 7061-U Order, Appendix A, Section H) are reflected in BST's Collocation Handbook, which is also incorporated as part of the SGAT pursuant to the Commission's decisions in Docket No. 7253-U. For example, the non-recurring rate for Physical Collocation – Space Preparation (minimum 100 sq. ft., additional space calculated in 50 sq. ft. increments) is established at \$100 per square foot. BST may not alter its Collocation Handbook without filing with the Commission.

OSS

BST provides CLECs electronic options for the exchange of ordering and provisioning information. The Exchange Access Control and Tracking System ("EXACT") is for service requests involving interconnection trunking and unbundled network elements.

In Docket No. 8354-U, the Commission ordered BST to provide business rules to CLECs for LEO, LESOG, SOER, and Version 7.0 of EDI. The Commission also ordered BST to implement e-mail capabilities for pre-ordering and ordering with respect to complex UNE orders. In addition, the Commission directed BST in conjunction with CLECs to present the issue of mechanized complex orders to the Ordering and Billing Forum ("OBF").

Performance Measurements

The Commission's Order issued in Docket No. 7892-U adopted comprehensive performance measurements associated with BST's interconnection requirements. A brief summary of relevant standards adopted, including a definition of each, and the actual data reported are contained below.

Order Completion Interval Distribution & Average Interval - No Dispatch

(Days)

Definition: Average time from issue date of service order to actual order completion date.

| | March 1998 | April 1998 | May 1998 | June 1998 |
|------|------------|------------|----------|-----------|
| CLEC | 38 | 19 | 26 | 24 |
| BST | 18 | 37 | 27 | 31 |

Held Order Interval Distribution and Mean Interval

(Days)

Definition: Average time orders continue in a "non-complete" state for an extended period of time.

| | March 1998 | April 1998 | May 1998 | June 1998 |
|------|------------|------------|----------|-----------|
| CLEC | 0 | 0 | 0 | 0 |
| BST | 0 | 13 | 44 | 36 |

Percent Missed Installation Appointments

(Percent)

Definition: Percent of orders where completions are not done by due date.

| | March 1998 | April 1998 | May 1998 | June 1998 |
|--|------------|------------|----------|-----------|
|--|------------|------------|----------|-----------|

| | | | | |
|------|--------|-------|--------|--------|
| CLEC | 3.84 % | 0 | 4.02 % | 0 |
| BST | 7.81 % | 7.0 % | 3.24 % | 8.14 % |

Provisioning Troubles within 30 days of Service Order Completion - Installation
(Percent)

Definition: Measures the quality and accuracy of completed orders.

| | March 1998 | April 1998 | May 1998 | June 1998 |
|------|------------|------------|----------|-----------|
| CLEC | 0.06 % | 0 | 0 | 0 |
| BST | 0.39 % | 0 | 0.8 % | 0.06 % |

Customer Trouble Report Rates
(Percent)

Definition: Initial and repeated customer direct or referred troubles reported within a calendar month (where cause is not in carrier equipment) per 100 lines/circuits in service.

| | March 1998 | April 1998 | May 1998 | June 1998 |
|------|------------|------------|----------|-----------|
| CLEC | 0.61 % | 0.17 % | 0.16 % | 0.03 % |
| BST | 0.15 % | 0.13 % | 0.16 % | 0.17 % |

Maintenance Average Duration
(Total Hours)

Definition: Average time from the receipt of a trouble until the trouble is cleared.

| | March 1998 | April 1998 | May 1998 | June 1998 |
|------|------------|------------|----------|-----------|
| CLEC | - | - | 1.46 | 15.94 |
| | | | | |

| | | | | |
|-----|---|---|------|------|
| BST | - | - | 1.49 | 5.55 |
|-----|---|---|------|------|

Trunk Group Service Summary

(Percent)

Definition: Measures the total number of trunk groups, number of trunk groups measured, and the number of trunk groups which exceed the blocking threshold during their busy hours.

| | 3/23 – 4/24, 1998 | 4/27 - 5/22, 1998 | 5/25 - 6/19, 1998 |
|-------------------|-------------------|-------------------|-------------------|
| CLEC Aggregate | 3.1 % | 1.8 % | 2.6 % |
| BST Local Network | 5.4 % | 3.8 % | 3.3 % |

Collocation

April 1997 – June 1998

| | Physical | | |
|-----------------|----------------------------|--------------------------------|-----------------------------|
| | Avg. Response Time (Days)* | Avg. Arrangement Time (Days)** | Percent Due Dates Missed*** |
| CLECs Aggregate | 26 | 133.4 | 15.4 % |

* Measures the average time from the receipt of a complete and accurate Collocation Request (including receipt of Application Fees) to the date BST responds in writing.

** Measures the average time from receipt of the complete and accurate Firm Order (including Fees) to the date BST completes the Collocation Arrangement (called "BST complete date"); assumes space, construction and network infrastructure complete.

***Measures the percent of collocation space requests, including construction and network infrastructure, that are not complete on the due date.

A review of the performance measurement data reveals that BST is provisioning and maintaining interconnection arrangements for CLECs in a manner consistent with that which it provides itself. Specifically, regarding Order Completion Intervals, March through June data reflects an average installation interval of 27 days for CLECs and 28 days for BST. Percent missed installation appointments on average are 2% for CLECs and 7% for BST. Customer Trouble Report rates for CLECs on average are 0.24% compared to 0.15 percent for BST. Trunk Blockage data reflects an average CLEC trunk exceeding the blocking threshold is 3%, and similarly 4% for BST.

The benchmark intervals for responding to requests for and installing collocation are addressed in BST's SGAT. There are two intervals: (1) Time received initial request, to response [20 days Virtual, 30 days Physical]; and (2) Time from

Valid Order to Completion [120 days]. Performance measurement data submitted indicated that BST is responding to requests for collocation and is completing collocation requests in a timely manner.

Discussion

On January 22, 1997, BST filed its original Statement of Generally Available Terms and Conditions under Section 252 (f) of the Telecommunications Act of 1996 with this Commission. Since that time, many hearings have been held in the many dockets directly related to this Section 271 filing. Much progress has been made in the development of OSS interfaces for interconnection (Docket No. 8354-U), cost-based rates have been established for the provisioning of UNEs, collocation, etc. (Docket No. 7061-U), performance measurements and reporting have been initiated (Docket No. 7892-U), and 255 interconnection agreements have been approved by this Commission between BST and CLECs.

As of August 1998, nine complaints by CLECs concerning interconnection, collocation, and reciprocal compensation have been filed with the Commission. It is further noted that on November 4, 1997, the Commission established Interim Procedures for the Hearing and Resolution of Complaints Arising from Interconnection Agreements. Hearings have been held in seven of the complaints filed with decisions rendered in five.

Competing carriers must be able to choose any technically feasible method of interconnection at a particular point. Technically feasible methods of interconnection include, but are not limited to: physical collocation and virtual collocation at the premises of an incumbent LEC, and meet point interconnection arrangements. The incumbent LEC must submit to the State commission detailed floor plans or diagrams of any premises where the incumbent LEC claims that physical collocation is not practical because of space limitations. The Commission is in receipt of five collocation waiver requests and rulings will be made on these requests in the immediate future. Each request received also includes BST's proposed plan for creating additional space by either an existing switch replacement, or expanding the existing space limitations through a building addition.

In Docket No. 6537-U, the Commission approved the provision of two-way trunking between the CLEC and BST as well as the manner in which trunks can be used for receiving traffic. The Commission also approved methods and procedures that the CLECs and BST can use to remedy trunk blockage problems and periodically the parties are to exchange technical descriptions and forecasts of their interconnection and traffic requirements to ensure that customers may complete traffic.

The FCC Common Carrier Bureau staff believes that a BOC must have processes and procedures in place to ensure that physical and virtual collocation arrangements are available on terms and conditions that are "just, reasonable, and nondiscriminatory" in accordance with Section 251(c)(6). Useful information to determine compliance with this checklist item is the length of time required for an applicant to process and implement requests for both physical and virtual collocation.

BST's Collocation Handbook, which is incorporated in BST's SGAT, provides the rates, methods and processes which are necessary to ensure that collocation is available to CLECs in a manner that allows them to have a meaningful opportunity to compete.

Recommended Modification

Since the Commission issued its Order on BST's Revised SGAT on January 15, 1998, BST and the industry have made advancements relative to interconnection for local exchange service competition. The Commission Staff notes that parity is of utmost importance in this checklist item as the direct interconnection of the parties is the main link of all services that are to be provided. As of the date of this Report, sufficient information has been furnished that proves that BST is providing interconnection at parity. An endorsement by the Commission must be contingent upon the monitoring of the OSS progress reports in Docket No. 8354-U, the Performance Measurement Reports in Docket No. 7892-U, and BST's compliance with the provisions outlined in the Commission's Order in Docket No. 7253-U dated July 22, 1998.

Recommendation

Recommend.

Checklist Item 2 (Unbundled Network Elements)

Statutory Section

Section 271(c)(2)(B)(ii) - Nondiscriminatory access to network elements in accordance with the requirements of Sections 251(c)(3) and 252(d)(1).

Section 251(c)(3) requires BST to provide access to network elements pursuant to conditions that are just, reasonable, and nondiscriminatory. In determining this, the Commission must ascertain whether BST is in compliance with applicable FCC regulations and with the Commission's own rulings in arbitration decisions and other proceedings under the Act.

Section 252(d)(1) provides that determinations by a State commission of the just and reasonable rate for network elements shall be based on the cost of providing the network elements, nondiscriminatory, and may include a reasonable profit.

Network elements are the specific segments of the telephone network. "Access" to an unbundled network element means that BST must provide a connection to the network element at any technically feasible point under rates, terms, and conditions that are just, reasonable, and nondiscriminatory. To fulfill the nondiscrimination obligation under checklist item (ii), BST must provide access to its OSS, meaning the information, systems, and personnel necessary to support the elements and services. This is important because access to BST's OSS provides new entrants with the ability to order service for their new customers and allows new entrants to communicate effectively with BST regarding such basic activities as placing orders and providing repair and maintenance service for customers. 47 U.S.C. Section 271(c)(2)(B)(ii).

Specific network elements are also addressed in other checklist items. The Commission's discussion of this item will address the requirements for access to all network elements. In particular, this checklist item addresses the Operations Support Systems ("OSS") that are necessary to provide access to other network elements as well as resold services; and the provision of network elements in a manner that allows competing carriers to combine such elements.

Positions of Parties

Following are summaries of the positions submitted by interested parties:

BST stated that the actual commercial usage of unbundled elements, the implementation of enhancements to BST's OSS, and commitment to broad and detailed performance measurements and reporting conclusively demonstrate that it has satisfied the requirements of this checklist item.

AT&T asserted that BST does not provide nondiscriminatory access to OSS because BST is not currently capable of providing CLECs with usage data for flat rate calls as required by the Commission's recent OSS order. In addition, based on a study commissioned at the request of BST, BellCore evaluated the maturity of BST's software processes for electronic interfaces. BellCore determined that BST is at maturity level one and has taken the first step towards achieving maturity level two (the Repeatable Level). AT&T further asserted that the unstable and undefined condition of the software process validates its claim that BST's OSS is unpredictable. Regarding performance measurements, AT&T asked that BST be ordered to provide complete data on the measurements ordered by this Commission for at least six months before the Commission can fully evaluate whether BST is providing nondiscriminatory access and interconnection. AT&T contended BST did not provide data on 11 of the 18 measurements ordered by the Commission. The data that was filed showed that BST is not providing UNEs at parity with BST retail customers and BST has not proposed provisions for auditing. Lastly, AT&T stated that until the Commission holds a generic proceeding to develop an appropriate long-term pricing policy regarding recombination of UNEs capabilities, there are not cost-based rates in Georgia today.

CTAG asserted that BST cannot prove nondiscriminatory access to OSS systems; and BST has not fulfilled its obligations of this checklist item.

CompTel stated that BST's access to network elements are deficient in the following areas: (1) lack of fully developed

methods by which BST will provision and combine UNEs, (2) inadequate UNE ordering procedures and interfaces, (3) lack of performance standards that conform to the Commission's Order in Docket No. 7892-U, (4) failure to provide a means of comparing BST's UNE performance data with CLECs' UNE performance results and (5) long-term cost-based rates have not been established for UNE combinations.

e-spire stated that because neither the Commission Staff nor any CLEC has yet made a public side-by-side comparison of BST's OSS and BST's internal systems in Georgia, parity cannot be measured and assured. In addition, any determination of whether BST's OSS meet the requirements of Section 251(c)(3) of the Act depends on implementation of the recommendations contained in the Staff report (Docket No. 8354-U), and adequate time for the CLECs to implement the enhanced OSS systems and verify parity exists with BST's OSS provided to itself.

Additionally, e-spire contended that the large premiums required to establish service adopted in Docket No. 7061-U are examples of unreasonably high non-recurring charges which will chill competition, serve as barriers to competition and are not in parity with what BST charges its own retail customers. In addition, e-spire commented that the FCC requires that rates be based on TELRIC principles and geographically deaveraged.

ICG contended that the BST-sponsored Stacy Affidavit and the June 10, 1998 OSS status report submitted by AT&T revealed that BST still falls short of providing parity of access to its OSS systems according to Sections 251(c)(3) and 252 (d)(1). Since BST has not tested and fully implemented the conditions contained in the Commission's OSS Order, such as Customer Service Records ("CRS"), LENS and EDI integration, API implementation, e-mail capability for pre-ordering and ordering of complex services or providing business rules for implementation of EDI, BST is not in compliance with this checklist item.

Intermedia stated that the electronic interfaces are flawed and limited. Intermedia further stated that BST's reliance upon manual access to legacy systems is inadequate and the performance measurements adopted by the Commission remain inadequate to measure individual data services and additional UNEs.

ITC^DeltaCom asked the Commission to find that BST has not fulfilled this checklist item until BST has delivered an integrated pre-ordering and ordering system that (1) provides status and updates for tracking orders in a timely manner and (2) develops a "fully" automated ordering interface.

LCI asserted that BST has not demonstrated that it has the practical capability of providing unbundled elements in a manner that permits them to be combined and has not provided the detailed procedures and pricing under the Act.

MCI stated that the actions taken by the Commission in Docket No. 8354-U have developed a constructive approach that gradually will lead to OSS parity. Because performance standards have not been fully implemented, the Commission should be unable to accurately determine whether parity is being achieved. BST cannot meet its obligation to provide cost-based rates for unbundled network elements without reflecting any significant geographic cost differences that may exist. BST should not be permitted to provide in-region long-distance services before addressing the AT&T filed petition to commence a generic proceeding to develop appropriate long-term pricing policies regarding recombination of UNEs capabilities.

MediaOne reported that BST's procedure for processing orders to convert circuits has resulted in extreme customer disruptions. MediaOne asserted that BST has not invested adequate resources and management attention to solve problems with the remote call forwarding fax ordering system. Until BST provides the reports associated with the performance standards established by the Commission, a determination of whether BST provides services to CLECs at parity cannot be made.

MGC contended that BST has been uncooperative in providing the ability to interface with BST's OSS electronic order processing, inasmuch as MGC's orders have been done manually. MGC asserted that BST has not invested adequate resources and management attention to solve problems with firm order commitment dates. Although MGC admitted BST has made some degree of improvement, when MGC compared BST's performance with other regions or incumbents such as GTE, MGC found that the BST late/trouble rate is nearly five (5) times worse than GTE in California.

Sprint contended that BST's OSS, as currently deployed, does not meet the nondiscriminatory access standard. Sprint

stated that the OSS interim interfaces are proprietary, do not conform to industry standards, lack on-line front-end edits, and lack integration between pre-ordering and ordering functions.

TRA stated that BST cannot satisfy this checklist item until it (1) makes combinations of network elements available at cost-based rates, (2) demonstrates current compliance with the performance measurement requirements and not merely the possibility of future compliance, and (3) completes the OSS modifications ordered in Docket No. 8354-U.

WorldCom alleged BST's requirement that the CLEC combine UNEs in a collocated space, introduces unnecessary costs, increases the number of points for potential network failure, contributes to the exhaust of collocation space and is inconsistent with the Eighth Circuit Court of Appeal's decision. WorldCom contended that the BST methodology of deciding when the cost-based rates apply violates Section 251(c)(3) of the Act. WorldCom also stated that BST would not meet the 271 requirements as long as it denies requesting carriers the ability to combine all cost-based unbundled elements without restrictions.

WorldCom has suggested that an outside third party evaluate and test the OSS for commercial viability and supply the Commission with a report that demonstrates BST has a commercially viable OSS system to satisfy this portion of the checklist.

Commercial Usage and Compliance

General Description

The Commission established specific unbundling requirements in the AT&T and MCI arbitration cases. The FCC has also identified seven specific unbundled network elements that must be provided by an incumbent LEC. The network elements identified by this Commission (which includes those previously established by the FCC) are:

Network Interface Device

Local Loop

Loop Distribution

Loop Concentrator/Multiplexor

Local Switching

Operator Systems (Directory Assistance Service/911 Service)

Multiplexing/Digital Cross-Connecting Channelization

Dedicated Transport

Common Transport

AIN Capabilities

Signaling Link Transport

Signal Transfer Points

Service Control Points/Databases

Dark Fiber

A detailed listing of these unbundled network elements, such as the types of loops, signaling systems and the specific

databases are shown in the Appendix A Price List to the Commission's December 16, 1997 Order issued in Docket No. 7061-U.

Following is a definition of those UNEs the Commission determined that BST should provide:

Network Interface Device. The network interface device is defined as a cross-connect device used to connect loop facilities to inside wiring.

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.

Loop Distribution. Loop distribution is defined as the network element which provides connectivity between the NID component of loop distribution and the terminal block on the subscriber side of a Feeder Distribution Interface ("FDI").

Loop Concentrator/Multiplexor. Loop Concentrator/Multiplexor is the network element that (1) aggregates lower bit rate or bandwidth signals to higher bit rate or bandwidth signals (multiplexing); (2) disaggregates higher bit rate or bandwidth signals to lower bit rate or bandwidth signals (demultiplexing); (3) aggregates a specified number of signals or channels to fewer channels (concentrating); (4) performs signal conversion, including encoding of signals (e.g., analog to digital and digital to analog signal conversion); and (5) in some instances performs electrical to optical (E/O) conversion.

Local Switching. The local switching 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;
- c. and all features, functions and capabilities of the switch.

Operator Systems (Directory Assistance Service/911 Service). Operator Systems are defined as support functions which consist of pre-ordering, ordering, provisioning, maintenance and repair, and billing functions supported by an incumbent LEC's database and information.

Multiplexing/Digital Cross-Connecting Channelization ("DCS"). Multiplexing/Digital Cross-Connecting Channelization is defined as the system that provides automated cross connection of Digital Signal level 0 (DS0) or higher transmission bit rate digital channels within physical interface facilities. DCS may provide the functionality of more than one DCS type (e.g., DCS3/3/1 which combines functionality of DCS 3/3 and DCS 3/1). For such DCSs, the requirements will be at least the aggregation of requirements on the "component" DCSs.

Dedicated Transport. Dedicated Transport is defined as an interoffice transmission path between CLEC designated locations, to which the CLEC is granted exclusive use. Such locations may include the ILEC's central offices or other locations, CLEC network components, other carrier network components, or subscriber premises.

Common Transport. Common Transport is defined as an interoffice transmission path between the ILEC's network elements, shared by carriers. Where the ILEC's network elements are connected by intra-office wiring, such wiring is provided as part of the network elements and is not Common Transport. ILECs may offer Common Transport at DS0, DS1,

DS3, STS-1 or higher transmission bit rate circuits. Common Transport consists of ILEC inter-office transport facilities and is distinct and separate from local switching.

AIN Capabilities. AIN is defined as a network functionality that permits specific conditions to be programmed into a switch which, when met, directs the switch to suspend call processing and to receive special instructions for further call handling in order to enable carriers to offer advanced features and services.

Signaling Link Transport. Signaling Link Transport is defined as a set of two or four dedicated 56 kbps transmission paths between CLEC designated signaling points of interconnection that provides appropriate physical diversity and a cross connect at an ILEC STP site.

Signal Transfer Points ("STP"). Signaling Transfer Points are defined as a network functionality that enables the exchange of SS7 messages among and between switching elements, database elements and signaling transfer points.

Service Control Points ("SCP")/Databases. Service Control Points are defined as the network elements that provide the functionality for storage of, access to and manipulation of information required to offer a particular service and/or capability. A SCP is a specific type of database network element functionality in a Signaling System 7 ("SS7") network that executes service application logic in response to SS7 queries sent to it by a switching system also connected to the SS7 network. SCPs also provide operational interfaces to allow for provisioning, administration and maintenance of subscriber and service application data (e.g., an 800 database stores subscriber record data that provides information necessary to route 800 calls).

Dark Fiber. Dark Fiber is defined as fiber optic transmission facilities which have been installed in the BST network, but which have not yet been equipped with the electronic equipment necessary to transmit signals through the fiber.

The Commission approved BST's use of a Bona Fide Request process to be used when a CLEC requests a change to any UNE that has been provided, such as the UNE's features, capabilities or functionality; or when a CLEC requests that BST provide additional UNEs.

BST has provided approximately 4,000 pages of documentation regarding its ordering, provisioning, maintenance and billing procedures for unbundled network elements. As of May 1, 1998, BST has provisioned 1,584 unbundled loops and 4 unbundled ports in Georgia. BST has provisioned 492 trunks to CLECs for providing both common and dedicated local transport. BST is also providing 17 CLECs access to its SS7 signaling network. BST is providing at least one (1) CLEC with selective routing utilizing Line Class Codes. BST has provided 134 E911 trunks, 186 directory assistance trunks, 130 operator services trunks and 22 verification trunks to CLECs in Georgia.

During the period January 1997 through March 1998, BST's region-wide Line Information Database ("LIDB") processed more than 562 million queries from CLECs and other service providers. Also, CLECs and other service providers across BST's nine-state region completed approximately 401 million queries to BST's Toll-Free Number database. It appears that BST has yet to receive any requests for the provision of sub-loop unbundling (including the NID) and dark fiber.

Collocation

Section 251(c)(3) of the Act provides that an incumbent LEC shall provide unbundled elements in a manner that allows requesting carriers to combine elements in order to provide such telecommunications services. The FCC found that incumbent LECs must provide technically feasible methods of obtaining interconnection or access to unbundled network elements that include, but are not limited to, physical and virtual collocation at the premises of an incumbent LEC.

BST sets forth the terms and conditions for both physical and virtual collocation in the SGAT, and in the Collocation Handbook which is incorporated into the SGAT by reference. BST's SGAT specifies that BST will provide physical collocation for CLEC equipment unless BST demonstrates to the Commission that physical collocation is not practical for technical reasons or space limitations. Virtual collocation is available at the CLEC's request and is not dependent on the availability of physical collocation. BST's Collocation Handbook states that both virtual and physical collocation will be made available on a first come, first serve basis, depending on space availability for interconnection to unbundled network elements, access services and state tariff services necessary for use by telecommunication providers.

Section 3.5 of the Collocation Handbook specifies that BST will complete physical collocation space when construction is under ordinary conditions (excluding time required to secure the appropriate government licenses and permits) within 120 days of receipt of complete and accurate bona fide firm orders, except where otherwise specified (e.g., negotiated contract terms or PSC decision). BST will complete construction of collocation space under extraordinary conditions within 180 days of the receipt of complete and accurate bona fide firm orders (excluding time required to secure the appropriate government licenses and permits). Extraordinary conditions are also defined in Section 3.5 of the Handbook.

In addition, BST offers at a CLEC's option, a non-enclosed space instead of an equipment arrangement enclosure for physical collocation. With a non-enclosed space, there is no minimum square footage requirement, permitting the collocator to use space in increments less than 100 square feet.

As of March 1998, 56 physical collocation arrangements were in place for CLECs throughout BST's nine-state region, and an additional 172 physical collocation arrangements were in process. BST has completed 20 physical collocation arrangements in Georgia, and an additional 50 arrangements were in progress as of May 1998. Exhibit WKM-3 (Milner Affidavit) sets forth all of the physical collocation arrangements currently in place and in progress. Of the 20 physical collocation sites accepted for service in Georgia, BST met the requested due date in 15 cases (75%) and on one occasion, agreed to an extension of time with the CLEC. BST has also completed 25 virtual collocation arrangements and another 39 virtual collocation arrangements are in progress in the State. The Commission's Order in Docket No. 7253-U required BST to notify the Commission in writing when it determines there is insufficient space available at a certain location to accommodate a request for physical collocation. As of September 1, 1998 the Commission has received five (5) petitions for temporary waiver for collocation by BST. Accompanying each request are BST's proposed plans for expanding space availability through either a switch replacement or building addition.

Access to Combinations of UNEs

The FCC has not determined whether the Act requires unbundled elements to be provided on a physically separated basis, or whether the Act allows competing carriers to have physical access to the BOC's networks in order to combine network elements without the use of physical collocation.

BST's SGAT reflects this Commission's decision on the recombination of unbundled network elements. When a CLEC seeks to combine UNEs to recreate a retail service identical to one offered by BellSouth, without adding any function or capability of its own (other than operator services), the price shall be the same as for resale using the applicable wholesale discount. Other resale terms and conditions must also apply.

The Commission's decision was not to deny recombined or rebundled UNEs to CLECs, but merely to adopt the appropriate pricing methodology. On July 18, 1997, the Eighth Circuit Court of Appeals issued its decision in *Iowa Board of Utilities, et al. v. FCC*, No. 96-3321. The Court vacated the FCC's pricing rules primarily on the ground that pricing authority for resale and UNEs is delegated to the states, not the FCC. The Court also stated that the incumbent LEC should not be required to perform the function of rebundling UNEs. This implies that if the incumbent LEC does perform the rebundling function for the CLEC, the price to the CLEC may be different from the mere total of the underlying UNE prices. The Commission concludes that the Eighth Circuit's decision does not preclude, and is consistent with its previous arbitration and permanent pricing decisions.

BST's SGAT specifies that network elements may be combined in any manner. CLEC-combined network elements will be priced at the sum of the individual element charges. Individual BST-combined network elements are also reflected in the SGAT.

Cost

The Commission established cost-based rates for BellSouth's unbundled network elements in accordance with Section 252(d)(1) of the Act, in its December 16, 1997 Order in Docket No. 7061-U. The Commission adopted a Total Element Long Run Incremental Cost ("TELRIC") methodology in its decision. (For a complete list of all rates established see Appendix A to the Commission's Order). For example, the recurring rate for an unbundled 2-wire analog local loop is \$16.51. The recurring rate for a 2-wire analog line port (with all vertical features included) is \$1.85. For local switching, end office interoffice trunk port – shared, per MOU, the recurring rate is \$0.0001564; and for tandem switching, tandem interoffice trunk port – shared, per MOU, \$0.0002126.

The Commission decided in its December 16, 1997 Order in Docket No. 7061-U that it would be premature to geographically deaverage UNE prices before further proceedings in Docket No. 5825-U on the intrastate Universal Access Fund ("UAF"). In that Cost Docket Order, the Commission stated:

The Commission will not require geographic deaveraging of the rates set in this proceeding. The Commission agrees that geographic deaveraging should not precede the development and implementation of specific, predictable universal service support mechanisms. Such mechanisms are being developed for intrastate purposes in Docket No. 5825-U with respect to the Universal Access Fund under the Georgia Act, and for interstate purposes by the FCC pursuant to Section 254 of the 1996 Act. Neither of these proceedings is close to the final development and implementation of universal service support mechanisms. The Commission concludes that it would be premature, would hurt customers in rural areas, and would stymie competition (especially facilities-based competition) in rural areas, to geographically deaverage the UNE rates at this time.

The CUCD is correct that the Eighth Circuit vacated the FCC's rule that would have required deaveraging of UNEs. Further, the Eighth Circuit has ruled subsequent to the FCC's Ameritech decision that the FCC may not attempt to impose pricing rules contrary to the Court's July 18, 1997 decision, so this further supports this Commission's determination that UNE prices should not be geographically deaveraged at this time.

The UAF proceeding in Docket No. 5825-U has a schedule for hearings December 7 through 11, 1998 with a decision in early 1999 regarding intrastate universal service support. A competitively neutral support mechanism should be implemented before geographically deaveraging BST's UNE prices.

The nonrecurring charge for collocation space preparation (minimum 100 square feet, additional space calculated in 50-square foot increments) is \$100 per square foot. The recurring rate for dark fiber, per four (4) fiber strands, per route mile is \$44.22. Non-recurring charges established for dark fiber include \$1,355.29 for the first order and \$273.69 for additional orders. The initial charge for recovering OSS interface cost to be paid by each CLEC that uses the OSS interfaces shall be \$200, and there shall also be a monthly charge of \$550.00. The monthly \$550.00 charge includes up to 1,000 orders. There shall be an additional monthly charge of \$110.00 per thousand orders above the first 1,000 each month.

OSS

Access to OSS

BST provides CLECs unbundled access to several Operations Support Systems. Access to these support systems is available through a variety of means, including electronic interfaces. BST provides electronic interfaces for pre-ordering, ordering and provisioning, trouble reporting, and customer usage data. BellSouth also provides the option of placing orders manually (*e.g.*, via facsimile) through the Local Carrier Service Center ("LCSC").

BST provides electronic access to pre-ordering functions through the Local Exchange Navigation System ("LENS") and EC-Lite, a machine-to-machine interface. BST also implemented an Application Program Interface ("API") for pre-ordering on August 30, 1998. BST provides electronic access to its ordering and provisioning functions through the Exchange Access Control and Tracking System ("EXACT") for service requests involving interconnection trunks and several unbundled network elements. BST provides an Electronic Data Interchange ("EDI") arrangement for resale

requests and some unbundled network elements. BST also provides, through LENS, an ordering and provisioning capability that is integrated with the LENS pre-ordering capability. At the request of CLECs, BST has provided technical specifications for the LENS Common Gateway Interface ("CGI") which allows CLECs to integrate the LENS pre-ordering and EDI ordering functions.

Electronic access to trouble reporting for exchange services is provided through the Trouble Analysis Facilitation Interface ("TAFI"). For individually designed services, BST provides electronic trouble reporting through an Electronic Bonding Interface ("EBI"). BST provides CLECs electronic files containing billable usage associated with resold exchange lines, unbundled ports, and ported telephone numbers.

Customized interfaces are available to CLECs through the Bona Fide Request process. BST obtained the services of Ernst and Young to conduct an examination and form an opinion as to the performance and operational readiness of BST's OSS. Ernst and Young stated, "In our opinion, the Statement of BellSouth Operating Support System Performance and Operational Readiness and Appendix A Detailed Assertions referred to above, as of May 18, 1998, fairly present, in all material respects the performance of BellSouth's Operating Support System."

As of April 30, 1998, 23 CLECs have used LENS, 4 have used EDI-PC, 11 have used TAFI and 1 has used EDI. Numerous CLECs are submitting orders via facsimile.

In its October 30, 1997 Order in Docket No. 7253-U, the Commission directed the Staff to conduct a Technical Workshop to discuss and propose any necessary enhancements to BST's Operations Support Systems which will aid entry by CLECs into the local market, and to ensure that the systems meet the spirit and intent of the Telecommunications Act of 1996. The results of the Technical Workshop were presented in the Staff Report which was adopted in Docket No. 8354-U by the Commission on April 21, 1998. The Staff Report identified 101 separate issues raised by participants in the workshop relating to BST's pre-ordering, ordering, repair and maintenance and billing support functions. The Staff Report also contained proposed solutions and an implementation time frame associated with those issues raised.

As of September 1, 1998, BST has implemented the following major enhancements to its OSS:

- Updated CGI-LENS specifications provided to CLECs for integration
- Use of a single change order to allow a customer to migrate from BST to a CLEC
- 100 number telephone number reservation limit per central office removed
- Expanded list of Universal Service Order Codes provided to CLECs
- Business rules provided to CLECs
- Comprehensive package of edits provided to CLECs
- Single address validation
- Telephone number reservation time extended to 30 days
- Continuing development of Regional Street Address Guide ("RSAG") download
- API pre-ordering capability implemented
- Rates of services and equipment items displayed on Customer Service Record
- Promotional information made available electronically
- Updated Product Services and Information Management System ("PSIMS")

- Mechanized complex order issues taken to Ordering and Billing Forum ("OBF")
- Implemented unlimited telephone number reservation capability for LENS
- Software installed to resolve system lock-out and Time Out
- Electronic Bonding Interface for maintenance and repair
- Provided CLECs with TAFI specifications
- E-mail service inquiries and ordering established for complex services
- Change control process implemented
- Electronic notification of service jeopardies (as well as phone and fax)
- Error analysis provided for BST and CLEC errors
- Electronic viewing of pending orders in LENS
- Interactive agent deployed to support batch and event-driven EDI
- Expanded number of loops that can be processed in 1 EDI order to 25 loops
- Provided information to CLECs regarding system capacity and anticipated future demand
- Provided Average Daily Usage File

The Commission also directed BST and interested parties to file joint monthly progress reports in Docket No. 8354-U to apprise the Commission of the status of implementation of the solutions in the Report.

Integration

In Docket No. 8354-U, the Commission ordered BST to provide all CLECs with the CGI specifications. These specifications were initially provided by BST on December 15, 1997, and updated on April 8, 1998 to reflect releases 2.0 and 2.1 of LENS. This information was provided to the CLECs to allow them to build their own interfaces to integrate with BST's LENS and EDI.

In the joint report filed on July 10, 1998, in Docket No. 8354-U, the CLECs continue to voice the opinion that the LENS-CGI information that BST has provided is inadequate to integrate the pre-ordering and ordering functions in a manner that is equivalent to BST's retail operations.

In response to the concerns of the CLECs, BST contracted with Albion International, Inc., ("Albion"), a third party, to prove the integration viability of the BST pre-order CGI Interface and the BST orders EDI-PC Interface. To perform this task Albion acted as a CLEC, and wrote the Ordering and Pre-Ordering Integration Interface ("OPII") application that integrates internal CLEC information systems functions with external system functions. The objective of the OPII software was to provide a fully integrated means for a CLEC to place an order (New Service-Residential) without requiring the CLEC to go through the web browser. Albion performed this task using the following information readily available to the CLECs: 1) LENS CGI Interface Specification Version 2.0, 2) LEO Implementation Guide (Volume I), and 3) LENS screens associated source code. BST did not furnish Albion with a data dictionary for the LENS CGI specification or a CSR layout.

The OPII that Albion wrote integrates internal CLEC OSS with external system functions (BST's pre-ordering and ordering interfaces). The Albion Report also demonstrates that a CLEC can incorporate an up-front due date calculator, can incorporate promotional information, and can successfully parse CSR information.

The Commission Staff finds that BST has provided complete, detailed, and updated specifications that CLECs need to integrate their OSS interfaces with BST's interfaces.

Performance Measurements

The Commission Order in Docket No. 7892-U adopted comprehensive performance measurements associated with access to BST's unbundled network elements and Operations Support Systems. A discussion of the relevant standards established by the Commission and the actual performance data submitted by BST are provided in numerous checklist items. Below is a list of the performance measurements discussed in this and other checklist items:

Checklist Item No. 1 (Interconnection)

Order Completion Interval

Held Order Interval Distribution and Mean Interval

Provisioning Troubles within 30 days of Service Order Completion

Percent Missed Installations

Customer Trouble Report Rate

Maintenance Average Duration

Trunk Group Summary

Collocation

Checklist Item No. 2 (UNEs)

Percent OSS Interface Availability

Average Response Interval

Checklist Item No. 4 (Local Loops)

Coordinated Customer Conversions

Firm Order Confirmation Timeliness

Order Completion Interval Distribution

Percent Missed Installation

Maintenance Average Duration

Checklist Item No. 5 (Local Transport)

Order Completion Interval Distribution and Average Interval

Held Order Interval Distribution and Mean Interval

Percent Missed Installation Appointments

Provisioning Trouble within 30 days of Service Order Completion

Customer Trouble Report Rates

Maintenance Average Duration

Trunk Group Service Summary

Checklist Item No. 6 (Local Switching)

Average Installation Interval

Checklist Item No. 7 (911 and E911, Directory Assistance and Operator Services)

E911 Timeliness and Accuracy

Operator Services: Toll and Directory Assistance

Checklist Item No. 13 (Reciprocal Compensation)

Invoice Accuracy

Invoice Timeliness

Checklist Item No. 14 (Resale)

Jeopardy Interval

Firm Order Confirmation Timeliness

Reject Distribution Average Interval

Percent Flow Through Report

Average Order Completion Interval

Percent Missed Installation Appointments

Benchmarks

In the Commission's Order in Docket No. 7892-U, the Commission found that standards for the measurements adopted should reflect the average intervals of the "OSS functions associated with pre-ordering, ordering and provisioning for resale services, and repair and maintenance for both resale services and unbundled network elements" where retail analogues exist. In all "those functions that do not have a retail analogue, such as the ordering and provisioning of unbundled network elements," the Commission establishes at a minimum for these functions, the BellSouth contracted standards as benchmarks.

| UNE Design Category | |
|---|---|
| 2-Wire Analog Voice Grade Loop | 1-5: 5 Business Days 6-14: 7 Business Days 15+: Individual Case Basis |
| 4-Wire Analog Voice Grade Loop | 1-5: 5 Business Days 6-14: 7 Business Days 15+: Individual Case Basis |
| 4-Wire DS1 & PRI Digital Loop | 1-5: 5 Business Days 6-14: 7 Business Days 15+: Individual Case Basis |
| 2-Wire ISDN Digital Loop | 1-5: 5 Business Days 6-14: 7 Business Days 15+: Individual Case Basis |
| ADSL – 2-Wire Asymmetrical Digital Subscriber Line Loop | 1-14: 30 Business Days 15+: Individual Case Basis |
| HDSL – 2-Wire & 4-Wire High Bit Rate Digital Subscriber Line Loop | 1-14: 30 Business Days 15+: Individual Case Basis |
| Loop Channelization System | 1: 90 Business Days |
| Central Office Channel Interfaces 2-Wire Voice | 1: 30 Business Days |
| Central Office Channel Interfaces 4-Wire Voice | 1: 30 Business Days |
| Loop Concentration (dependent on equipment and right of way) | 1: 30-90 Business Days |
| OAIN Tool Kit | 1: 45 Business Days |
| OAIN Service Management System | 1: 45 Business Days |
| Interoffice Transport Analog Line Grade | 1: 30 Business Days |
| Interoffice Transport DS0 | 1: 30 Business Days |
| Interoffice Transport DS1 | 1: 30 Business Days |
| Interoffice Transport DS3 | 1: 30 Business Days |
| | |

| | |
|---|---|
| DCS 1/0 | 1: 7 Business Days |
| DCS 3/1 | 1: 7 Business Days |
| DCS 3/0 | 1: 7 Business Days |
| 2-Wire ISDN Digital Line Side Port | 1-10: 5 Business Days 11-25: 6 Business Days 25+: Individual Case Basis |
| 4-Wire ISDN DS1 Digital Trunk Port | 1-10: 5 Business Days 11-25: 6 Business Days 25+: Individual Case Basis |
| Unbundled Access to OSS: Pre-Order | 1: 30 Business Days |
| Unbundled Access to OSS: Order/Provisioning | 1: 30 Business Days |
| Unbundled Access to OSS: Maintenance/Repair | 1: 30 Business Days |
| UNE Non-Design Category | |
| Loop Feeder | 1: 30 Business Days |
| NID to NID Cross-Connect 2-Wire | 1-14: 5 Business Days 15+: Individual Case Basis |
| NID to NID Cross-Connect 4-Wire | 1-14: 5 Business Days 15+: Individual Case Basis |
| NID Spare Capacity | 1-14: 5 Business Days 15+: Individual Case Basis |
| A-Link Signaling | 1: 60 Business Days |
| D-Link Signaling | 1: 60 Business Days |
| STP – Signaling Transfer Point | 1: 60 Business Days |
| Operator Call Processing – OPCH, FACH, BLV, EI, ECT | 1: 30 Business Days |
| Operator Call Processing – Facility Based OPCH, FACH, ECT | 1: 30 Business Days |
| Operator Call Processing – Facility Based BLV, EI | 1: 30 Business Days |
| Directory Assistance Access Service (DAAS) | 1: 30 Business Days |

| | |
|--|---|
| Directory Assistance Number Services Intercept (DANSI) | 1: 30 Business Days |
| Directory Assistance Transport | 1: 30 Business Days |
| Directory Assistance Database (DADS) | 1: 30 Business Days |
| Direct Access to DA Service (DADAS) | 1: 30 Business Days |
| Customized Call Routing: 1-5 LCC | 1-5: 30 Business Days |
| Customized Call Routing: 6-25 LCC | 6-25: 60 Business Days |
| Customized Call Routing: >25 LCC | >25: Individual Case Basis |
| 2-Wire Analog Line Port | 1-10: 3 Business Days 11-25: 4 Business Days >25: Individual Case Basis |
| Hunting | 1: 5 Business Days |
| 2-Wire Analog DID Trunk Port | 1-10: 5 Business Days |
| | 11-25: 6 Business Days |
| | >25: Individual Case Basis |
| Switching Functionality | 1: 5 Business Days |
| Unbundled Local Usage (entire local calling area) | 1: 5 Business Days |
| Access to Databases: 800 Database | 1: 7 Business Days |
| Access to Databases: Line Information Database (LIDB) | 1: 30 Business Days |
| RCF – Remote Call Forwarding | 1-25: 2 Business Days 26-50: 3 Business Days 51+: Individual Case Basis |
| DID: Initial Request – Trunk Group to be Established | Initial: 30 Business Days |
| DID: Subsequent Request – Trunk Group in Place | 1-100: 5 Business Days 100+: Individual Case Basis |

*Note: – 24 hours must be added in order to account for the FOC.

For purposes of this checklist item the Commission limits its discussion to two additional performance measurements. A definition of these standards and the actual data reported are contained below:

| | | | | | | | | |
|--------------|--------|-------|------|---------|--------|-------|------|--------|
| RSAG | | | | | | | | |
| - by TN | 96.70% | 1.20% | 1.32 | 97,842 | 95.21% | 1.07% | 1.06 | 40,532 |
| - by Address | 93.92% | 1.47% | 1.38 | 245,663 | 94.82% | 1.54% | 1.17 | 81,640 |
| ATLAS | 96.80% | 1.38% | 0.93 | 162,692 | 97.78% | 0.81% | 0.69 | 47,816 |
| DSAP | 98.62% | 0.74% | 0.63 | 294,108 | 98.76% | 0.78% | 0.44 | 33,086 |
| CRSACCTS | 94.96% | 1.98% | 3.28 | 735,041 | - | - | - | - |

| MAY 1998 | BellSouth (RNS) | | | | CLEC (LENS) | | | |
|-----------------|------------------------|---------|-----------|--------------|--------------------|---------|-----------|--------------|
| System | <2.3 Sec. | >6 Sec. | Avg. Sec. | No. of Calls | <2.3 Sec. | >6 Sec. | Avg. Sec. | No. of Calls |
| RSAG | | | | | | | | |
| - by TN | 95.79% | 1.50% | 1.41 | 94,754 | 95.34% | 1.36% | 1.26 | 56,298 |
| - by Address | 93.16% | 1.79% | 1.66 | 242,149 | 94.39% | 1.67% | 1.40 | 102,328 |
| ATLAS | 96.44% | 1.83% | 1.92 | 158,666 | 97.98% | 0.78% | 0.67 | 63,521 |
| DSAP | 98.59% | 0.86% | 1.08 | 282,429 | 98.89% | 0.72% | 0.36 | 44,013 |
| CRSACCTS | 94.71% | 2.08% | 4.27 | 699,010 | - | - | - | - |

| JUNE 1998 | BellSouth (RNS) | | | | CLEC (LENS) | | | |
|------------------|------------------------|---------|-----------|--------------|--------------------|---------|-----------|--------------|
| System | <2.3 Sec. | >6 Sec. | Avg. Sec. | No. of Calls | <2.3 Sec. | >6 Sec. | Avg. Sec. | No. of Calls |
| RSAG | | | | | | | | |
| - by TN | 95.13% | 1.83% | 1.84 | 104,628 | 94.82% | 1.54% | 1.59 | 69,445 |
| - by Address | 91.63% | 2.52% | 2.26 | 264,210 | 93.57% | 1.90% | 1.93 | 88,901 |
| ATLAS | 96.37% | 1.81% | 1.25 | 174,266 | 97.39% | 1.18% | 5.03 | 54,587 |
| DSAP | 97.82% | 1.27% | 1.19 | 288,294 | 98.23% | 1.16% | 0.93 | 43,398 |
| CRSACCTS | 92.69% | 3.07% | 3.82 | 729,039 | - | - | - | - |

The performance data submitted for the reporting period reflected that approximately 96% of the time a BST service

representative utilizing BST's internal Regional Negotiations System ("RNS") experienced an average response interval of less than 2.3 seconds to access the Regional Street Access Guide ("RSAG"), Application for Telephone Number Load Administration and Selection ("ATLAS"), DOE Support Application ("DSAP") and Customer Service Record ("CSR") accounts. The actual average response interval for the reporting period is 1.8 seconds. Similarly, a CLEC utilizing BST's LENS interface to access the same functionalities experienced an average response interval of less than 2.3 seconds approximately 96% of the time. The actual average response interval for CLECs accessing BST's Operations Support Systems is 1.4 seconds.

This Report and Opinion addresses major concerns expressed by the FCC and other parties regarding the overall performance of BST's Operations Support Systems in the Discussion section of Checklist Item No. 14.

Discussion

The Commission has established specific unbundling requirements. To comply with the Commission requirements, BST's SGAT provides for unbundled access to Local Loop, Local Transport, Local Switching, Signaling Network Elements/AIN Services, Operations Support Systems, Collocation and Dark Fiber. BST will make additional network elements, and sub-elements of currently available network elements, available where technically feasible. CLECs may use the Bona Fide Request process to request additional elements.

As of May 1, 1998, BellSouth has provisioned 1,584 unbundled loops and 4 unbundled ports in Georgia. BST has provisioned 492 trunks to CLECs for providing both common and dedicated local transport. BST is also providing 17 CLECs access to its SS7 signaling network. BST is providing at least one (1) CLEC with selective routing utilizing Line Class Codes. BST has provided 134 E911 trunks, 186 directory assistance trunks, 130 operator services trunks and 22 verification trunks to CLECs in Georgia.

During the period January 1997 through March 1998, BST's region-wide LIDB database processed more than 562 million queries from CLECs and other service providers. Also, CLECs and other service providers across BST's nine-state region completed approximately 401 million queries to BST's Toll-Free Number database. It appears that BST has yet to receive any request for the provision of sub-loop unbundling (including the NID) and dark fiber.

BST has provided approximately 4,000 pages of documentation regarding its ordering, provisioning, maintenance and billing procedures for unbundled network elements. BST has retained the services of Ernst and Young to attest to the Performance and Operational Readiness of its OSS. BST has conducted internal and third-party testing to ensure that the individual unbundled elements can be ordered and provisioned.

BST sets forth the terms and conditions for both physical and virtual collocation in the SGAT and in the Collocation Handbook. BST's SGAT specifies that it will complete physical collocation space construction under ordinary conditions within 120 days of the receipt of a complete and accurate order. The SGAT further specifies that construction of collocation space under extraordinary conditions will be completed within 180 days of the receipt of a complete and accurate order.

BST amended the SGAT to offer to CLECs, as an option, a non-enclosed space instead of equipment arrangement enclosure for collocation. There is no minimum square footage requirement for this arrangement. As of March, 1998, BST has completed 20 physical collocation and 25 virtual collocation arrangements in Georgia. Additionally, BST has another 50 physical collocation and 39 virtual collocation arrangements in process. The Commission Staff concludes that BST is providing access to unbundled elements in a manner which allows CLECs to combine the elements as required by Section 251(c)(3) of the Act.

BST provides electronic access to its OSS functions through LENS, EDI, EDI-PC, EC-Lite, EXACT, API, CGI, TAFI, and EBI. BST also makes customized interfaces available to CLECs through the Bona Fide Request process.

BST has performed internal and third-party testing of its OSS interfaces. As of April 30, 1998, 23 CLECs have used LENS, 4 have used EDI-PC, 11 have used TAFI and 1 has used EDI. Numerous CLECs are submitting orders via facsimile.

BST has implemented numerous enhancements to its electronic interfaces as a result of the Commission's Order in

Docket No. 8354-U. The Commission has directed BST and CLECs to submit joint monthly reports to apprise the Commission of the status of implementation of additional system enhancements ordered by the Commission.

The Commission has established cost-based rates for unbundled network elements utilizing a TELRIC cost methodology. The Commission has also established cost-based rates for collocation, Dark Fiber and CLECs' access to BST's electronic interfaces. The Commission has also determined that its policy for long-term pricing regarding recombination of UNEs is reflected in BST's SGAT. When a CLEC seeks to combine UNEs to recreate a retail service identical to one offered by BellSouth, without adding any function or capability of its own (other than operator services), then the price shall be the same as for resale using the applicable wholesale discount. Other resale terms and conditions must also apply. BST's SGAT also states "additional services desired by CLECs to assist in their combining or operating BellSouth unbundled network elements are beyond the scope of this offering and would require additional negotiations." The Commission's current approach is further supported by the Eighth Circuit Court of Appeals decisions in the *Iowa Utilities Board* case. The U.S. Supreme Court granted petitions for certiorari to review the Eighth Circuit's rulings, with an oral argument set for October 13, 1998. As this Commission stated in its July 22, 1998 Order on BST's SGAT (at 38), it would be premature, unnecessary and a waste of resources for this Commission to revisit its current approach prior to any action by the U.S. Supreme Court.

Although one party forwarded the idea of electronically recombining the elements, no evidence was presented that addressed the technical feasibility of such an effort, the cost involved and the amount of time required implementing such a solution.

The Commission has adopted comprehensive performance measurements associated with access to BST's unbundled network elements and Operations Support Systems in Docket No. 7892-U. A discussion and summary of relevant performance standards are included where appropriate in the individual checklist items. The Commission Staff determines that based on the review of all relevant performance data submitted by BST, we cannot, at this time, affirm that BST is providing nondiscriminatory access to its Operations Support Systems. In order to demonstrate such access, BST must show three months of consistently good performance data. The Commission Staff requests the following information be provided:

1. A summary (in chronological order) of all proposed solutions that have been implemented as a result of the Staff's OSS Report adopted in Docket No. 8354-U. Provide a summary of any further enhancements scheduled to be made in the next 45 day period.
2. A summary of all pertinent performance data for the months of July, August, and September, 1998 in compliance with the Commission's Order issued in Docket No. 7892-U. BST shall provide any further explanation of the data as they may deem necessary.

Recommended Modification

BST has continued to improve its performance relative to the provision of its Operations Support Systems. Many of the system enhancements ordered by the Commission in Docket No. 8354-U have been implemented by BST. A review of relevant performance measurements filed pursuant to the Commission's Docket No. 7892-U Order indicates that these system enhancements have produced improved operating results. In order for CLECs to have a meaningful opportunity to compete and ensure that the ordering, provisioning, and maintenance functions are provided in a timely, efficient and consistent manner, BST must provide all pertinent performance data for the months of July, August, and September 1998. Upon receipt and review of this subsequent information, the Commission Staff will be able to determine whether BST has met this competitive checklist item.

Recommendation

Not recommend.

Checklist Item 3 (Poles, Ducts, Conduits, and Rights-of-Way)

Statutory Section

Section 271(c)(2)(B)(iii) - Nondiscriminatory access to the poles, ducts, conduits, and rights-of-way owned or controlled by the Bell operating company at just and reasonable rates in accordance with the requirements of section 224.

Telephone company wires must be attached to or pass through, poles, ducts, conduits, and rights-of-way. This checklist item requires BST to show that competing providers can obtain access to its poles, ducts, conduits, and rights-of-way within reasonable time frames and on reasonable terms and conditions at just and reasonable rates in accordance with the rates, terms, and conditions as set by the FCC.

Section 251(b)(4) The duty to afford access to the poles, ducts, conduits, and rights-of-way of such carrier to competing providers of telecommunications services on rates, terms, and conditions that are consistent with section 224.

Section 224(b)(1) The Commission shall regulate the rates, terms, and conditions for pole attachments to provide that such rates, terms, and conditions are just and reasonable, and shall adopt procedures necessary and appropriate to hear and resolve complaints concerning such rates, terms, and conditions. For purposes of enforcing any determinations resulting from complaint procedures established pursuant to this subsection, the Commission shall take such action as it deems appropriate and necessary, including issuing cease and desist orders, as authorized by section 312(b) of title III of the Communications Act of 1934, as amended.

Positions of Parties

Following are summaries of the positions submitted by interested parties:

BST established the Competitive Structures Provisioning Center ("CSPC") in Birmingham, Alabama, for processing all CLEC requests for access to poles, ducts, conduits, and rights-of-way. At present, 21 CLECs, including 15 that operate in Georgia, have executed license agreements that allow them to attach their facilities to BST's poles or place their facilities in BST's ducts and conduits. The CLECs operating in Georgia that executed license agreements include MCImetro, Knology, and MFS. Since July 1997, BST has received and responded to 35 requests for access to poles, ducts, conduits, and rights-of-way from six CLECs in Georgia. BST has, for years, provided cable television and power companies with access to poles, ducts, conduits, and rights-of-way in Georgia. The rates BST charges for access to poles, ducts, and conduits are just and reasonable and are consistent with the rates established by the Commission in Docket No. 7061-U. The SGAT contains the 1998 pole attachment rate of \$5.03 per foot, per year in Georgia, which was calculated in accordance with the FCC's pole attachment formula. Pole attachment rates change annually based upon the FCC formula. In its December 16, 1997 Order in Docket No. 7061-U, the Commission approved a rate of \$4.20 per foot, per year, which was based upon the FCC's pole attachment formula using 1997 data. In the event that the FCC adjusts the \$5.03 rate as a result of the complaint filed by CTAG, BST will amend the applicable pole attachment rate in Attachment A to the SGAT to reflect any final order of the FCC.

AT&T asserted that the access required in the local market will differ from that currently offered to interexchange carriers. Local competition will require access in many more locations. BST has not provided methods and procedures necessary to access rights-of-way. The model license agreement BST proposed in its SGAT contains a number of defects. First, the agreement lacks critical specificity. There is no deadline to complete the "make ready" survey, or "make ready" work. In addition, BST seeks competitively sensitive information before it provides records. Finally, BST requires 48-hour written notice for access to manholes and there are no emergency access provisions.

CTAG contended that an unlawful pole attachment rate was proposed in BST's amended SGAT. In the currently effective SGAT, the Commission adopted the current pole rental rate according to the FCC formula, which produced a rate of \$4.20 per foot per year. In its March 27 SGAT amendment, however, BST sought a rate increase of \$5.03 per pole per year. BST's newly proposed rate exceeded the lawful maximum under the FCC's formula for two essential reasons. First, BST improperly relied on internal accounting records for its Georgia operations contrary to a long-standing FCC precedent for calculating pole attachment rates which requires the use of publicly filed utility account data. Second, BST included in the administrative carrying charge component accounts that the FCC formula does not currently permit. CTAG has challenged BST's illegal pole rental rate at the FCC. In the FCC Complaint Docket, CTAG recommended that the FCC adopt a rate of \$4.20. In the alternative, CTAG recommended that the FCC adopt a rate of \$4.27, the maximum that BST is allowed to charge according to data derived from its publicly filed cost reports. Until the FCC has rendered its decision in this case, it would be premature to find that BST has complied with Item 3

of the 14-point checklist.

ICG alleged that access to poles, ducts, conduits, and rights-of-way are not functionally available on rates, terms, and conditions that are consistent with 47 U.S.C. § 224. ICG's cost for the construction of its initial network has been increased as a result of BST's failure to provide ICG access to its poles on the same basis and in the same time frames that BST does for itself. BST has not adopted procedures that would permit it to respond to CLECs' pole attachment requests in a timely fashion.

MCI stated that the issue of compensation to CLECs when they make improvements to BST's network has not been addressed. CLECs need to know they will be compensated for investments made to a structure if others also make use of that structure. The development of Georgia's telecommunications infrastructure could be greatly limited by the reluctance of CLECs to shoulder sole financial responsibility for being the first to improve a particular piece of structure. In its First Order, the FCC explicitly stated: "To protect the initiators of modifications from absorbing costs that should be shared by others, we will allow the modifying party or parties to recover a proportionate share of the modification costs from parties that later are able to obtain access as a result of the modification."

MediaOne contended that BST has violated the Commission's Order in Docket No. 7061-U, dated December 16, 1997, by proposing rates in excess of those approved by the Commission for pole attachments. By its December 16, 1997 Order in Docket No. 7061-U, the Commission established cost-based rates for pole attachments based on the FCC formula at \$4.20. However, in its revised SGAT, BST sought to increase this rate to \$5.03. The increased rate has not been approved by the Commission. By unilaterally changing a rate and including that rate in the SGAT, BST has asked the Commission for approval to charge rates for competitive services that may not be cost based. BST fails to meet this checklist item because it is not offering access to pole attachments at cost-based rates.

Commercial Usage and Compliance

General Description

BST testified that 15 CLECs that operate in Georgia have executed license agreements that allow them to attach their facilities to BST's poles or place their facilities in BST's ducts and conduits and since July 1997, BST has received and responded to 35 requests for access to poles, ducts, conduits, and rights-of-way from six CLECs operating in Georgia.

In BST's Standard License Agreement, Attachment D to the Revised SGAT, Section 3.1, the licensee agrees that its facilities shall be placed, constructed, maintained, repaired, and removed in accordance with current editions of the following publications:

The Blue Book Manual of Construction Procedures, Special Report SR-TAP-001421, published by Bell Communications Research, Inc. ("BellCore"), and sometimes referred to as the "Blue Book."

The National Electrical Code (NEC); and

The National Electric Safety Code (NESC).

Also, in BST's License Agreement, Attachment D to the Revised SGAT, Section 3.8, the licensee agrees that its facilities shall be constructed, placed, maintained, repaired, and removed in accordance with the Occupational Safety and Health Act ("OSHA") and all rules and regulations promulgated thereunder.

Further, BST's License Agreement, Attachment D to the Revised SGAT also contains entries of significance, *e.g.*, reservation of space, Section 2.3; qualifications for workers, Section 6.3; procedures for modifying facilities, Section 12; and procedures for denying requests for access, Section 2.3.

In GPSC Docket Nos. 6801-U and 6865-U, the Commission decided whether BST should be required to establish a common spare duct for maintenance, repair and emergency use by any and all telecommunications carriers who wish to reserve such capacity. The Commission affirmed its ruling in the Docket No. 6801-U December 4, 1996 Order and the

Docket No. 6865-U December 8, 1996 Order that BST shall reserve itself a spare, and allow other carriers similarly to reserve spares. In each instance such reservation shall be based upon a one-year forecast.

Section 224(b)(1) of the Communications Act of 1934 provides that the FCC shall regulate the rates, terms, and conditions for pole attachments to provide that such rates, terms and conditions are just and reasonable, and shall adopt procedures necessary and appropriate to hear and resolve complaints concerning such rates, terms, and conditions. Similarly, the various Interconnection Agreements filed with the Georgia Public Service Commission provide for the expeditious, economical, and equitable resolution of disputes between BST and the other parties arising under such Agreements.

Cost

In its December 16, 1997, Order in Docket No. 7061-U, the Commission approved a \$4.20 per foot, per year pole attachment rate, which was consistent with the FCC's pole attachment formula using 1997 data. The FCC's current formula in setting the maximum rate for pole attachments multiplies the net (investment) cost of a bare pole by the percentage of usable space that an attachment occupies on an average pole (i.e., the ratio of space occupied by the attachment to total usable space on the pole).

In its July 22, 1998, Order in Docket No. 7253-U, the Commission found that the \$4.20 per foot, per year pole attachment rate approved in Commission Docket No. 7061-U should be continued in the SGAT until such time as the FCC rules on the complaint filed by CTAG.

BST, in its latest filing in Docket No. 7253-U (Revised SGAT), dated August 6, 1998, complied with the Commission's July 22, 1998 Order by providing that the \$4.20 per foot, per year, pole attachment rate approved in Commission Docket No. 7061-U shall be continued in the Revised SGAT until such time as the FCC rules on the complaint filed by CTAG.

In its December 16, 1997, Order in Docket No. 7061-U (*see* Appendix A, Section J2), the Commission approved a \$0.6019520 per foot, per year rate for access to conduits and a \$0.4155351 per foot, per year rate for access to inner ducts.

OSS

Not applicable.

Performance Measurements

Not applicable.

Discussion

Under Section 271(c)(2)(B)(iii) of the Act, access provided or generally offered by a Bell Operating Company to other telecommunications carriers meets the requirements of this subparagraph if such access includes nondiscriminatory access to the poles, ducts, conduits, and rights-of-way owned or controlled by the Bell Operating Company at just and reasonable rates in accordance with the requirements of Section 224.

Section 224 provides that the FCC shall regulate the rates, terms, and conditions for attachment to a pole, duct, conduit, or right-of-way to provide that such rates, terms, and conditions are just and reasonable, and shall adopt procedures necessary and appropriate to hear and resolve complaints concerning such rates, terms and conditions. Nothing in Section 224 shall be construed to apply to, or give the FCC jurisdiction with respect to rates, terms, and conditions, or access to poles, ducts, conduits, and rights-of-way as provided in Section 224 in any case where such matters are regulated by a State. However, each State which regulates the rates, terms, and conditions for pole attachment shall certify to the FCC that it does regulate such rates, terms, and conditions and has made effective rules and regulations implementing the State's regulatory authority over pole attachments.

The permanent pole rental rates adopted by this Commission in Docket No. 7061-U are in compliance with the FCC methodology as set forth in Section 224(d)(1) of the Communications Act of 1934. The pole attachment rates approved by this Commission will continue in effect until such time as the FCC rules on the complaint filed by CTAG.

In Section III of the Revised SGAT, BST offers access to poles, ducts, conduits, and rights-of-way to any CLEC via a standard license agreement. The standard license agreement provides terms and conditions by which CLECs can gain access to poles, ducts, conduits, and rights-of-way. BST has utilized this same agreement for many years to provide cable television companies and power companies with access to poles, ducts, conduits, and rights-of-way. BST has established the Competitive Structures Provisioning Center in Birmingham, Alabama, for processing all CLEC requests for access to poles, ducts, conduits, and rights-of-way. BST does provide functional availability to access to poles, ducts, conduits, and rights-of-way.

BST has not made clear the methods and procedures available under the license agreements, and the dispute resolution procedures for any problems that may arise. Similarly, BST has not clarified the methods or procedures that will apply to access to manholes in emergency situations. Documentation of these items is important to help establish nondiscriminatory access, especially because CLEC access will entail access in many more locations than currently involved in more traditional arrangements. Specifically, the Commission is in need of the following information:

1. BST's written procedures regarding emergency access to manholes;
2. The proposed language which incorporates these procedures into BST's SGAT; and
3. The proposed language to be added to BST's SGAT which notifies CLECs of dispute resolution procedures, including procedures adopted by the FCC in compliance with Section 224(b)(1).

Recommended Modification

The following information must be submitted before a determination can be made. BST must affirmatively state the methods and procedures that are available under the license agreements to carriers and the dispute resolution procedures in the event problems arise. BST must explicitly address the methods and/or procedures that will apply in the matter of access to manholes in emergency situations.

Recommendation

No determination.

Checklist Item 4 (Loops)

Statutory Section

Section 271(c)(2)(B)(iv) - Local loop transmission from the central office to the customer's premise, unbundled from local switching or other services.

Local loops are the wires, poles, and conduit that connect the telephone company end office to the customer's home or business. To satisfy the nondiscrimination requirement under checklist item (iv), BST must demonstrate that it can efficiently furnish unbundled loops to competing carriers within a reasonable time frame, with a minimum level of service disruption, and at the same level of service quality.

Section 251(c)(3) imposes upon incumbent LECs the duty to provide nondiscriminatory access to network elements on an unbundled basis at any technically feasible point on rates, terms, and conditions that are just, reasonable, and nondiscriminatory in accordance with the terms and conditions of the agreement and the requirements of Sections 251 and 252.

To provide nondiscriminatory access to loops, the FCC should consider whether provision of number portability is coordinated with loop cutovers so that competitive LECs' customers do not experience prolonged service disruption

between transfer of service from the BOC to the competitive LEC, as stated in FCC Chairman William Kennard's letter to Senators McCain and Brownback dated March 20, 1998 at xi-3.

Positions of Parties

Following are summaries of the positions submitted by interested parties:

BST stated it "is providing access to unbundled loops sufficient to allow CLECs a meaningful opportunity to compete." BST supported this statement by incorporating the prices for loops in the SGAT as provided for in the Commission's Order in Docket No. 7061-U. BST has tested the following to verify that unbundled local loop transmission is available to CLECs: 1) 2-wire and 4-wire unbundled voice loops; 2) 56 kbps and Basic Rate Interface unbundled digital loops; 3) unbundled DS1; 4) ADSL capable loops; 5) HDSL 2 and 4-wire capable loops; 6) loop concentration; and 7) sub-loop concentration. As of May 1, 1998, BST has provisioned 1584 loops to CLECs in Georgia (Appendix A; Milner Affidavit paragraph 21). Also an order for each was generated and flowed through BST's system and was reviewed to verify each had been billed correctly. (Milner, Tr. at 3828).

Additionally, April 1998 performance data reflected UNE design orders in Georgia that did not require dispatch with less than 10 circuits; 100% of orders were completed in five (5) days of receipt of a correct order. For orders requiring dispatch with less than 10 circuits, 96% were completed in ten (10) days (nearly 40% in 5 days) (Appendix A; Exhibit WNSPM-1). Finally, BST will present to the Commission and CLECs no later than September 6, 1998 the means to track electronically loop cutover time. The Florida study conducted in January and February of 1998 demonstrates that BST is complying with the Commission's standard loop cutover as BST completed the cutover in 4.1 minutes and performed the number portability work in 39 seconds on average (Appendix A; Milner Affidavit Paragraph 26, Exhibit WKM-1).

AT&T stated, "BST has not demonstrated that it can provide unbundled loops in a manner that satisfies the Act. BST will physically separate local loops from switch ports before providing them to CLECs, forcing the CLEC to recombine them using collocated facilities. This policy will result in BST's provision of loops for CLECs that use inferior technology and provide inferior service when compared to the loops BST uses in its network. Such discriminatory access violates the Act." Also, BST has taken inconsistent positions on whether it will provide Integrated Digital Loop Carrier ("IDLC") loops. In the revised SGAT filed on March 27, 1998, BST stated it would provide loops using Universal Digital Loop Carrier ("UDLC"). BST witness Milner stated that BST would make loops available using IDLC technology. BST revised its internal guidelines in December 1997 to outline five alternatives for providing loops using IDLC. The methods and procedures that BST has provided for provisioning IDLC loops are insufficient and contradict BST's earlier statement.

Additionally, BST witness Milner claimed that BST can provision IDLC loops using a hair-pin and side-door arrangement. However, in the Methods and Procedures for Provisioning UNEs book of 87 binders, BST stated that this method is uneconomical. BST's SGAT and the 87 binders are silent on how the BST switch will deliver the call to a CLEC switch on IDLC.

AT&T has expressed concern on the availability of IDLC loops provided by BST. Milner in his Affidavit on page 9 listed its internal planning directives to outline the various facility alternatives that BST will use for CLECs requesting unbundled loops served by IDLC. These alternatives include: 1) allocating metallic feeder pairs or universal digital loop carrier facilities to the distribution area if spare capacity is available; 2) utilizing spare capacity of existing integrated network access system or other existing IDLC that is terminated on a digital cross-connect system; 3) utilizing side-door/hairpin capability of switch peripheral if available; 4) activating new universal digital loop carrier capacity to the distribution area; or 5) converting some existing IDLC capacity to universal digital loop carrier.

Further, BST is unable to provision any loop adequately, because the manual processes cannot support the quality and quantity of orders received for CLECs in Georgia. Milner Affidavit at paragraph 26, WKM-1, does not demonstrate BST's effectiveness in coordinating loop cutover with number portability. The study does not indicate the types of problems BST experienced prior to cutover that delayed the dates of the cutover; and the study was based on a limited number of loop cutovers, 990 for February. Additionally, AT&T claimed that single loop orders, the type that would be used for residential customers, took more than twice as long to cut over in February as multiple loop orders, 8.6 minutes versus 4.1 minutes.

BST must demonstrate that it can provision unbundled local loops and coordinate the service cutover within agreed intervals before it can meet the requirements of the checklist.

e•spire has experienced service problems with UNEs, specifically loops and OSS purchased from BST. e•spire's service quality problems with unbundled loops were the subject of a complaint against BST in Docket No. 7212-U. In this docket e•spire requested that the Commission adopt performance standards for UNEs, which the Commission did in Docket No. 7892-U. Also, some time will be required for BST to implement the performance standards and reporting requirements specified in the Commission's Order in Docket No. 7892-U. The Commission and CLECs must be able to audit the validity of those reports in order to evaluate BST's self-reporting. Further, contrary to BST's representations, BST's May 8, 1998 filing of amendments to its revised SGAT does not fully incorporate the provisions of the Commission's Order in Docket No. 7892-U. That Order at page 25 includes a five-minute standard cutover time, including number portability, for BST to perform loop cutovers. Despite the clear language in the Commission's Order, reference to the five-minute standard interval appears nowhere in BST's revised SGAT.

e•spire also contended that it has been frustrated in its attempt to purchase local loop transmission from the central office all the way to the customer premises, unbundled from local switching. e•spire believes that its interconnection agreement specifically includes the ability to order combinations of UNEs: "when combinations are ordered where the elements are currently interconnected and functional, those elements will remain interconnected and functional (except for the integrated Subscriber Line Charge)." (Agreement at IV.C.4).

e•spire stated that it is continuing to work with BST to order extended loops at TELRIC rates consistent with paragraph IV.C.5. of its interconnection agreement. These efforts are critical because more than half of e•spire's initial applications for physical collocation has been rejected by BST. Without unlimited physical collocation it cannot use this arrangement to recombine UNEs. As long as BST continues to make e•spire's local entry more difficult, the Commission should find that it has not met this checklist item.

Knology contended that it has been forced to collocate with BST facilities in Knology's service area. The collocation process is slow and cumbersome, in which the CLEC must locate key elements of its network in a facility owned and controlled by its principal competitor.

MCI claimed that the evidence before the Commission shows BST establishes service to its own customers in 48 hours or less, and provides unbundled loops to MCI and other CLECs in a time frame ten to twenty times longer than the time frame it provides itself. The effect of this discriminatory long interval causes potential customers not to try the service of a CLEC because it would take several days to begin service. The lack of fully implemented ordering systems is causing the delay, and does not put competitors on a level playing field.

Sprint argued that there are serious problems which dictates that the Commission should reject BST's effort for interLATA relief: a) BST regularly misses its commitment to provide FOC within 48 hours of a complete and accurate order; b) BST has failed to or been unable to stop disconnection orders from being processed when the cutover of Sprint service has been delayed; c) BST consistently fails to notify Sprint in a timely fashion of facilities issues which will prevent Sprint from meeting its due date commitments; and d) Sprint's wholesale bill is problematic. Rate elements have been repeatedly misapplied and Sprint has had to request adjustments every month. These problems forced Sprint to file a complaint with the Florida Public Service Commission on October 10, 1997, concerning the following matters:

- a. BST has failed to identify provisioning problems in a timely manner to enable Sprint to meet customer desired due dates consistent with the service provided by BST to its retail customers;
- b. BST has failed to provide firm order confirmations in a timely and accurate manner to enable Sprint to install service at intervals comparable to what BST provides to its retail customers;
- c. BST has disconnected customers seeking to migrate to Sprint service prior to the designated cutover date; and
- d. BST has caused service interruptions to Sprint customers. Those service interruptions have

resulted in Sprint customers being unable to receive incoming calls and in some cases have also resulted in Sprint customers being unable to make outgoing calls.

Sprint categorized these problems as poor communications, ineffective processes, and lack of performance and maintenance. The results have been increased operational costs, lost revenue, loss of customers and a damaged reputation as a local exchange provider. These are serious problems, which dictate the Commission should reject BST's efforts to obtain in-region interLATA relief.

WorldCom stated, "BST has not met this item because they have not geographically deaveraged loops (and for that matter any unbundled network element) and have set uneconomic Non-Recurring rates for certain loops as set forth more specifically in WorldCom's Motion for Reconsideration filed in Docket No. 7061-U. These types of NRCs are a barrier to entry and do not facilitate competition in the local exchange market."

Commercial Usage and Compliance

General Description

BST provides seven types of unbundled local loops. In addition, CLECs may obtain sub-loops and loop concentration on an unbundled basis.

BST has conducted testing to verify that unbundled local loop transmission is available. The testing consisted of generating an order for each of the following loops through BST's system to ensure that the order was timely and the billing was accurate: 1) 2 and 4-wire analog loops; 2) 56 kbps and Basic Rate Interface unbundled digital loops; 3) unbundled DS1; 4) ADSL loop; 5) HDSL 2 and 4-wire loops; 6) loop concentration; and 7) sub-loop. The results of these tests along with the technical descriptions, the procedures for ordering, the procedures for provisioning, and the methods of maintenance appear in Binders 4-1 through 4-3 filed June 6, 1997 in Docket No. 7253-U.

Additionally, the Commission ordered that BST provide additional UNEs, loop concentration and sub-loop unbundling. Loop concentration is the network element that: 1) aggregates lower bit bandwidth signals to higher bit rate (multiplexing); 2) disaggregates higher bit rate or bandwidth signals to lower bit rate bandwidth or signals (demultiplexing); 3) aggregates a specified number of signals or channels to fewer channels (concentrating); 4) performs signal conversion, (e.g., analog to digital and digital to analog); and 5) in some instances performs electric to optical conversion.

Sub-loop unbundling consists of unbundling the loop into the feeder and distribution system. Loop feeder provides connectivity between 1) a Feeder Distribution Interface and a termination point appropriate for the media in a central office, or 2) a Loop Concentrator provided in a remote terminal and a termination point appropriate for the media in a central office.

BST employed the services of Ernst and Young to attest that an unbundled loop could be ordered electronically through the BST systems. Ernst and Young submitted electronic orders for services that represented 80% of BST's total retail operating revenue, including unbundled loops.

As of August 1, 1998 BST had provisioned 2,807 unbundled loops to CLECs in Georgia.

Cost

The Commission Order issued on December 16, 1997 in Docket No. 7061-U established cost-based rates for BST's unbundled loops utilizing a TELRIC methodology consistent with Section 252(d)(1) of the federal Telecommunications Act. BST offers seven types of loops: 2-wire analog, 4-wire analog, 2-wire ISDN, 2-wire ADSL, 2-wire HDSL, 4-wire HDSL, 4-wire DS1, and 4-wire 56 and 64 kbps digital, loop concentration and sub-loop concentration. The recurring rate for a 2-wire analog loop is \$16.51; the other rates are as shown in Section A of Appendix A to the Commission's Docket No. 7061-U Order. As discussed under Checklist Item No. 2, the Commission deferred consideration of geographically deaveraging prices for UNEs, including loops, until further proceedings on the UAF in Docket No. 5825-U. These rates are incorporated in the SGAT approved on July 22, 1998 in Docket No. 7253-U.

OSS

CLECs have voiced concerns with the manner in which BST provisions loop transmission. MCI claimed that BST establishes service to its customers in 48 hours or less while it takes ten to twenty times as long to establish service to MCI customers. Sprint claimed that BST regularly misses its commitment to provide FOC within 48 hours of a complete and accurate order, BST has failed to or been unable to stop disconnection orders from being processed when the cutover has been delayed by Sprint, and BST consistently fails to notify Sprint in a timely fashion of facilities issues which will prevent Sprint from meeting its due dates. e•spire claimed frustration in its attempts to purchase local loop transmission from the central office all the way to the customer premise, unbundled from local switching, and BST's ability to cutover local loops in a five-minute interval specified in its interconnection agreement. e•spire alleged that its interconnection agreement includes the ability to order combinations of UNEs: "when combinations are ordered where the elements are currently interconnected and functional, those elements will remain interconnected and functional (Agreement at IV.C.4)."

The FCC stated, in the BST South Carolina Order (CC Docket 97-208, at para. 141), "A section 271 applicant must demonstrate that the OSS functions that it has deployed adequately support each of the modes of entry envisioned by the Act: interconnection, use of unbundled network elements, and resale. A BOC therefore does not meet its obligations under Section 271 of the Act until it demonstrates that its OSS functions for ordering and provisioning of unbundled network elements, as well as for resale comply with the nondiscrimination requirements of the Act. For those OSS functions that have no retail analogue, such as ordering and provisioning of unbundled network elements, a BOC must demonstrate that the access it provides to competing carriers offers an efficient carrier a meaningful opportunity to compete." The FCC also expressed concern about the level of manual processing involved with the ordering and provisioning of UNEs because that process could lead to many errors. The FCC states, "We expect that, in any future application, BellSouth will provide a detailed explanation of the actions it has undertaken, as of the date of filing, to transition to an automated process, and will demonstrate that it is able to process orders for and provision UNEs in a timely and accurate manner at both current and projected levels of demand from competing carriers."

In its Interim Order in Docket No. 7253-U dated October 30, 1997, the Commission established Docket No. 8354-U for a Technical Workshop to discuss and propose any necessary enhancements to BST's Operations Support Systems to aid entry of CLECs into the local market. This workshop was held December 9 and 10, 1997, and the Commission Staff filed a Report and matrix of issues and proposed solutions on December 23, 1997 as the Commission had ordered. This matrix was formulated using industry comments and participation from OSS experts within the industry. Hearings were held on March 18 and 19, 1998, and the Commission adopted the Staff OSS Report (with the matrix). In the Order adopting the OSS Report, issued June 4, 1998, the Commission recognized that BST had made progress in the development of OSS to aid CLEC entry into the local exchange market. Also, BST was directed to comply with the OSS report and submit a report by June 3, 1998 stating what had been done to implement the proposed solutions. BST and the industry were also directed to file monthly joint reports, with the first one due July 10th, on the implementation of the Commission's Order. The July 10, 1998 compliance report listed the OSS issues, the proposed solutions, the implementation time frames, and under the status of the implementation, BST and CLECs status were listed separately for every issue.

The FCC has expressed concern over the manual nature of ordering loops and invited evidence to determine what BST does in future applications to mechanize this process. BST has employed the services of Ernst and Young to attest that a CLEC can electronically order an unbundled loop utilizing BST's EDI interface. In Docket No. 8354-U, the Commission ordered BST to provide business rules to CLECs for LEO, LESOG, SOER, and Version 7.0 of EDI. The Commission also ordered BST to implement e-mail capabilities for pre-ordering and ordering with respect to complex UNE orders. In addition, the Commission directed BST in conjunction with CLECs to present the issue of mechanized complex orders to the Ordering and Billing Forum ("OBF").

Performance Measurements

On May 6, 1998, the Commission issued an Order in Docket No. 7892-U, Performance Measurements for Telecommunications Interconnection, Unbundling and Resale. In this Order the Commission established measurements and standards to ensure that BST is providing OSS support to competing carriers, to determine whether parity exists, to ensure that CLECs have a meaningful opportunity to compete, and to ensure that BST continues to meet its statutory obligations after receiving Section 271 authority. The Commission Order specified that BST shall submit monthly

reports to the Commission and affected CLECs summarizing these measurements. The standards adopted relative to unbundled loops and the actual data reported falls into 7 categories: 1) Pre-Ordering, 2) Ordering, 3) Provisioning, 4) Repair and Maintenance, 5) Billing, 6) Operator Services and Directory Assistance, and 7) Loop Cutovers.

BST's August 25, 1998 report responding to the Staff's Local Service Indicators in Docket No. 5778-U stated that approximately 2,807 unbundled loops were in service as of August 1, 1998. In Docket No. 7892-U the Commission adopted the standard cutover time of five minutes, not to exceed 15 minutes as contained in e-spire's interconnection agreement, for BST to perform a loop cutover, including number portability, because there is no retail analogue for provisioning of an unbundled loop.

BST provided loop and number portability studies that were performed in Florida, which showed a loop cutover time of 4.1 minutes, and INP of 39 seconds. The studies that BST performed in Florida consisted of two measurements. The first study measured the time that it takes to cutover a loop. The second measured the time to upgrade switch translations for number portability. These studies were performed separately. The Commission Staff is of the opinion that a more accurate measure would be to measure the time for loop cutover with the associated time to provision LNP for that same loop.

Coordinated Customer Conversions

Report Period: 5/1/98 – 5/31/98

Definition: This interval measures the average time it takes BST to disconnect an unbundled loop from the BST switch and cross connect it to a CLEC's equipment. (This interval measurement does not include the time required to program number portability.)

| | % ≤ 5 minutes | % >5, ≤ 15 minutes | % > 15 minutes | Average Interval (MINUTES) |
|----------------|---------------|--------------------|----------------|----------------------------|
| Loops with LNP | 75% | 18.75% | 6.25% | 6.06 |

Coordinated Customer Conversions

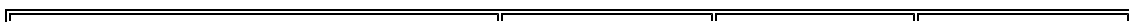
Report Period: 6/1/98 – 6/30/98

| | % ≤ 5 minutes | % >5, ≤ 15 minutes | % > 15 minutes | Average Interval (MINUTES) |
|----------------|---------------|--------------------|----------------|----------------------------|
| Loops with LNP | 9% | 22.8% | 68.2% | 33.4 |

Firm Order Timeliness Data (UNE)

(Days)

Definition: The average response time from receipt of valid service order request to distribution of order confirmation.



| FOC (UNE) | APRIL 98 | MAY 98 | JUNE 98 |
|-------------------------------|----------|--------|---------|
| Mechanized LSRs (No Errors) | 1.89 | 2.07 | 0 |
| Mechanized LSRs (With Errors) | 3.84 | 1.53 | 2.25 |
| Non Mechanized LSRs | 2.54 | 2.24 | 1.49 |

Order Completion Interval Distribution

(Days)

Definition: The average time from receipt of a confirmed service request to actual order completion dates.

| DISPATCH | APRIL 98 | MAY 98 | JUNE 98 |
|------------|----------|--------|---------|
| UNE DESIGN | 7.55 | 7.61 | 9.47 |

Products that are included under the UNE Design category are 2 and 4-wire Analog Loops, 4-wire DS1&PRI digital Loop, 2-Wire ISDN Loop, 2-Wire ADSL Loop and 2&4 Wire HDSL Loop.

Firm Order Confirmation + Order Completion Interval

(Days)

| FOC (UNE) | APRIL 98 | MAY 98 | JUNE 98 |
|-------------------------------|----------|--------|---------|
| Mechanized LSRs (No Errors) | 9.44 | 9.68 | 9.47 |
| Mechanized LSRs (With Errors) | 11.39 | 9.14 | 11.72 |
| Non Mechanized LSRs | 10.09 | 9.85 | 10.96 |

Percent Missed Installation Appointments

(Percentage)

Definition: Percent of orders where completions are not done by due date.

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

| (DISPATCH < 10 CKTS) | APRIL 98 | MAY 98 | JUNE 98 |
|----------------------|----------|--------|---------|
| UNE DESIGN (CLECs) | 9.1% | 20% | 26.4% |
| BST RETAIL DESIGN | 14.2% | 14.4% | 18.1% |

Maintenance Average Duration

(Hours)

Definition: Average time from the receipt of a trouble until the trouble is cleared.

| (DISPATCH HOURS) | APRIL 98 | MAY 98 | JUNE 98 |
|--------------------|----------|--------|---------|
| UNE DESIGN (CLECs) | - | 39.5 | 22.6 |
| BST RETAIL DESIGN | - | 9.01 | 12.31 |

Two important measurements adopted by the Commission to ensure that BST is providing CLECs with timely ordering and provisioning capabilities for unbundled loops are the Order Completion Interval and Missed Installation Appointments. These measurements allow a CLEC to accurately quote installation dates to their customers and ensure that CLEC customers are provided service within the same time frame in which BST provides service to its end users. The Total Average Installation Interval includes the FOC time added to the Order Completion Interval.

There are no comparative BST measurements for FOC. BST does not provide a FOC to itself, nor does it provision unbundled loops to itself. Therefore no retail analogue exists for this measure. For all OSS functions that do not have a retail analogue, the Commission established the BST contracted standards as minimum benchmarks. The contracted benchmarks contained in the Sprint Interconnection Agreement reflect a FOC interval of 24 hours (1 day) and an Average Completion Interval for a two-wire analog loop of 7 business days. The Total Average Completion Interval is 8 days.

For the reported time period, the Total Average Completion Interval for a mechanized order with no errors is approximately 9.5 days. This measurement exceeds the contracted benchmark contained in the Sprint Interconnection Agreement. In conjunction with this measurement, a review of the reported data for Missed Installation Appointments reflects that for CLECs, BST is meeting the established due date 82% of the time. Similarly, BST is meeting the due dates established for its Retail Design at an 85% level. A comparison of this data may indicate that CLECs are requesting due dates, which exceed the contracted benchmark, to ensure that their end users receive service within the quoted installation time frame.

The Commission found that orders completed beyond the offered interval, due to customer request, should be excluded from the measurement. The data reported for the period shown does not reflect these exclusions.

Coordinated Customer Conversion data reported for the month of May 1998 illustrated that BST met the benchmark interval established by the Commission on approximately 94% of the loop-cutovers. The overall Average Installation Interval for May was approximately 6 minutes. However, data collected for June 1998 indicated that BST failed to meet the established installation interval on 68% of the loop-cutovers. The corresponding Average Installation Interval for June was approximately 33 minutes. The inconsistency of the actual reported results suggest the need for additional monthly data to ascertain whether BST is consistently meeting the Commission's established benchmark and CLECs have a meaningful opportunity to compete.

Data submitted by BST during the reporting period for Maintenance Average Duration depict that on average, BST

cleared CLEC customer troubles within 31 hours of receipt of the trouble compared to 11 hours to clear BST troubles for its Retail Design circuits. The comparison of this data indicated CLECs' reported troubles are being cleared in a much longer time frame than BST's Retail Design troubles.

Sprint's concerns about BST's failure to notify them of facilities issues, which would prevent them from meeting its due dates, were addressed in Docket No. 8354-U. BST provides notice of service jeopardies electronically for all LENS orders by the CLEC simply pushing the "check status" button. This notification includes jeopardies caused by BST and CLECs. EDI users are notified of service jeopardies by facsimile from the LCSC in substantially the same time and manner as BST's retail unit. Additionally, both CLECs and BST have taken the issue of providing service jeopardies electronically to the OBF.

Discussion

The Commission has determined that BST's SGAT offers the availability of seven different types of unbundled loops. In addition, the Commission has ordered BST to provide sub-loops and loop concentration on an unbundled basis. BST also provides five facility alternatives for CLECs requesting unbundled loops served by IDLC. BST has submitted substantial information to the Commission giving technical descriptions of the loops provided, electronic ordering capabilities utilizing BST's OSS, the manner in which the loops are provisioned, and sufficient interval and third-party testing results. The rates established for unbundled loops were calculated in Docket No. 7061-U utilizing a TELRIC methodology in compliance with Section 252(d)(1) of the Act. As of August 1, 1998, BST has provisioned 2,087 loops in Georgia.

BST has continued to improve its performance in the area of provisioning unbundled loops. The performance measurements adopted by the Commission will ensure that BST continues to provide unbundled loops to CLECs in a timely and efficient manner that allows CLECs a meaningful opportunity to compete. However, the Commission remains concerned with BST's actual performance reported for Coordinated Customer Conversions and Average Maintenance Duration. The performance data submitted by BST for Coordinated Customer Conversion reflects some inconsistency in provisioning unbundled loops, and similar reported data for Average Maintenance Duration reflects longer time frames for clearing CLEC troubles. BST should show three (3) months of consistently good performance in order to demonstrate that it meets the nondiscrimination requirement of this checklist item (iv).

Recommended Modification

In order for CLECs to have a meaningful opportunity to compete and ensure that unbundled loops are provided in a timely, efficient and consistent manner, BST must provide all pertinent performance data required by the Commission in Docket No. 7892-U for the months of July, August, and September 1998. Upon receipt and review of this subsequent information, the Commission Staff will be able to determine whether BST has met this competitive checklist item.

Recommendation

Not recommend.

Checklist Item 5 (Transport)

Statutory Section

Section 271(c)(2)(B)(v) - Local transport from the trunk side of a wireline local exchange carrier switch.

This checklist item requires a Section 271 applicant to provide or offer to provide "[l]ocal transport from the trunk side of a wireline local exchange carrier switch unbundled from switching or other services." 47 U.S.C. Section 271(c)(2)(B)(v).

In addition, Section 271(c)(2)(B)(ii) of the Act requires that a Section 271 applicant to provide nondiscriminatory access to network elements (which includes local transport) in accordance with the requirements of Sections 251(c)(3) and 252(d)(1).

Section 251(c)(3) establishes BST's duty, as an incumbent LEC, to provide nondiscriminatory access to network elements on an unbundled basis at any technically feasible point on rates, terms, and conditions that are just, reasonable, and nondiscriminatory in accordance with the terms and conditions of the agreement and the requirements of Sections 251 and 252.

Section 252(d)(1) provides that determinations by a State commission of the just and reasonable rate for network elements shall be based on the cost of providing the network element, nondiscriminatory, and may include a reasonable profit.

Transport facilities are the trunks that connect different switches within BST's network or those switches with long distance carriers' facilities. This checklist item requires BST to provide requesting carriers with transmission links that are dedicated to the use of the requesting carrier as well as links that are shared with other carriers, including BST. Nondiscriminatory access to transport ensures that consumer calls traveling over competing carrier lines are completed properly.

Transport can either be dedicated to a particular carrier (Dedicated Transport) or shared by multiple carriers including the incumbent LEC (Common Transport).

Positions of Parties

Following are summaries of the positions submitted by interested parties:

BST claimed that it has complied with this requirement by providing unbundled local transport with optional channelization for such local transport from the trunk side of its switch. BST offers both dedicated and common transport for use by CLECs, including DSO channels and DS1 channels in conjunction with central office multiplexing or concentration, and DS1 and DS3 transport.

Also, local transport is available in practice from BST. BST has technical service descriptions outlining both dedicated and common transport and has procedures in place for the ordering, provisioning, and maintenance of these services.

AT&T contended that BST does not provide CLECs sufficient trunk blockage information or notice. BST presently provides network blockage information periodically for trunk groups that experience two or three percent blockage during "time consistent busy hour," which is the identical hour on consecutive days when a trunk group is offered the highest load. However, the "time consistent busy hour" may or may not be the hour in which calls in the circuit group experience the highest blockage rates. CLECs therefore are unable to monitor network traffic rates in a manner similar to BST, and adjust for excess trunk blockage.

e•spire stated that the combinations of UNEs offered in BST's revised SGAT do not include an unbundled loop combined with local transport. The only method allowed by BST today to combine an unbundled loop with unbundled local transport is to physically collocate in one of BST's central offices. This is unnecessary and increases e•spire's cost of doing business. In order to alleviate this problem, e•spire urged the Commission to require BST to offer unbundled loops combined with unbundled local transport as a single network element to be offered at TELRIC prices.

MCI submitted that BST is not providing ordinary common transport over its trunks. MCI also expressed concern that BST proposes that it be in complete control of the terms and conditions contained in its "OLEC-to BellSouth Ordering Guidelines." Were the Commission to allow this, it would enable BST to abuse its "monopoly bottleneck position."

Commercial Usage and Compliance

General Description

BST's SGAT contains provisions for both Dedicated and Common Transport.

Dedicated Transport is an interoffice transmission path used exclusively by a single carrier for the transmission of its traffic. Dedicated transport is available between BST central offices, and between BST central offices and CLEC

facilities.

Common Transport is a shared transmission path used for the traffic of multiple carriers. Common transport is available between BST end offices and between BST end offices and BST tandem switches. BST provides common transport on a per-minute of use basis.

Transport elements such as Dedicated and Common Transport provide transmission paths that connect one location to another. BST offers both dedicated and common local transport from the trunk side of its central office switches over a variety of transport media unbundled from switching or switch ports.

Dedicated and Common (shared) Transport fall within the interoffice transmission facilities category of unbundled network elements. "Interoffice transmission facilities" are defined by the FCC 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 carriers, or between switches owned by incumbent LECs or requesting carriers.

BST provides Dedicated and Common Transport over DS0, DS1, DS3 and optical cable. BST makes available additional local transport options where technically feasible. CLECs may use the Bona Fide Request process to obtain additional options. BST conducted internal testing relative to dedicated transport, however, no tests were performed involving shared transport. BST has traditionally provided Common and Dedicated Transport as access service.

As of August 1, 1998, pursuant to filings in Docket No. 5778-U, BST provisioned 883 unbundled access and transport arrangements to 18 facilities-based CLECs for the purpose of providing local transport in Georgia. In addition, BST provided 59,202 local trunks interconnecting BST's network to the CLEC's networks.

Cost

The Commission established the rates for Dedicated and Common Transport utilizing a TELRIC methodology. The recurring rate for Dedicated Transport, DS0 (56/64 kbps), is \$0.0222 per mile. The recurring rate for Dedicated Transport, DS1, is \$0.4523 per mile. The recurring rate for Common Transport is \$0.0000080 per mile, per minute of use ("MOU"). All of these rates are listed in Section D of Appendix A to the Commission's December 16, 1997 Order in Docket No. 7061-U.

OSS

BST provides CLECs electronic options for the exchange of ordering and provisioning information. The Exchange Access Control and Tracking System ("EXACT") is utilized for service requests involving interconnection trunking.

In Docket No. 8354-U, the Commission ordered BST to provide business rules to CLECs for LEO, LESOG, SOER, and Version 7.0 of EDI. The Commission also ordered BST to implement e-mail capabilities for pre-ordering and ordering with respect to complex UNE orders. In addition, the Commission directed BST, in conjunction with CLECs, to present the issue of mechanized complex orders to the Ordering and Billing Forum ("OBF").

Performance Measurements

The Commission's Order in Docket No. 7892-U adopted comprehensive performance measurements associated with BST's interconnection requirements. A summary and definition of relevant standards including the actual data reported are contained below:

Order Completion Interval Distribution & Average Interval (No Dispatch)

(Days)

Definition: Average time from issue date of service order to actual order completion date.

| | March 1998 | April 1998 | May 1998 | June 1998 |
|------|------------|------------|----------|-----------|
| CLEC | 38 | 19 | 26 | 24 |
| BST | 18 | 37 | 27 | 31 |

Held Order Interval Distribution and Mean Interval

(Days)

Definition: Average time orders continue in a "non-complete" state
for an extended period of time.

| | March 1998 | April 1998 | May 1998 | June 1998 |
|------|------------|------------|----------|-----------|
| CLEC | 0 | 0 | 0 | 0 |
| BST | 0 | 13 | 44 | 36 |

Percent Missed Installation Appointments

(Percent)

Definition: Percent of orders where completions are not done by due date.

| | March 1998 | April 1998 | May 1998 | June 1998 |
|------|------------|------------|----------|-----------|
| CLEC | 3.84 % | 0 | 4.02 % | 0 |
| BST | 7.81 % | 7.0 % | 3.24 % | 8.14 % |

Provisioning Troubles within 30 days of Service Order Completion (Installation)

(Percent)

Definition: Measures the quality and accuracy of completed orders (installation).

| | March 1998 | April 1998 | May 1998 | June 1998 |
|------|------------|------------|----------|-----------|
| CLEC | 0.06 % | 0 | 0 | 0 |
| BST | 0.39 % | 0 | 0.8 % | 0.06 % |

Customer Trouble Report Rates

(Percent)

Definition: Initial and repeated customer direct or referred troubles reported within a calendar month (where cause is not in carrier equipment) per 100 lines/circuits in service.

| | March 1998 | April 1998 | May 1998 | June 1998 |
|------|------------|------------|----------|-----------|
| CLEC | 0.61 % | 0.17 % | 0.16 % | 0.03 % |
| BST | 0.15 % | 0.13 % | 0.16 % | 0.17 % |

Maintenance Average Duration

(Total Hours)

Definition: Average time from the receipt of a trouble until the trouble is cleared.

| | March 1998 | April 1998 | May 1998 | June 1998 |
|------|------------|------------|----------|-----------|
| CLEC | - | - | 1.46 | 15.94 |
| BST | - | - | 1.49 | 5.55 |

Trunk Group Service Summary

(Percent)

Definition: Measures the total number of trunk groups, number of trunk groups measured, and the number of trunk groups which exceed the blocking threshold during their busy hours.

| | 3/23 – 4/24, 1998 | 4/27 - 5/22, 1998 | 5/25 - 6/19, 1998 |
|-------------------|-------------------|-------------------|-------------------|
| CLEC Aggregate | 3.1 % | 1.8 % | 2.6 % |
| BST Local Network | 5.4 % | 3.8 % | 3.3 % |

Performance measurement data reveals that BST is providing and maintaining interconnection arrangements for CLECs in a manner consistent with that which it provides itself, specifically regarding trunk blockage. May through June data reflects an average trunk blockage of 2.5% for CLECs and 4.2% for BST.

Discussion

BST's SGAT contains provisions for both Dedicated and Common transport. BST provides transport over DSO, DS1, DS3 and optical cable facilities. BST will provide additional local transport options where technically feasible, through the Bona Fide Request Process identified in its SGAT (Section V(A)(4)). BST further reported that as of August 1, 1998, BST provisioned 883 unbundled access and transport arrangements in addition to 59,202 local interconnection trunks. BST also provided information to the Commission regarding a technical description of the services offered, internal testing results and detailed ordering and provisioning guidelines. The rates established by the Commission in Docket No. 7061-U for local transport were computed utilizing a TELRIC methodology. Performance data submitted to the Commission demonstrates that BST is providing local interconnection to CLECs in a manner that is consistent with that it provides to itself.

However, trunk blockage appears to be an area that should be monitored in any further Commission review in this docket. Accordingly, BST must provide supplemental performance data for the months of July, August, and September, 1998 in compliance with the Commission's Order issued in Docket No. 7892-U that specifically identifies those trunk groups which exceed the Commission's Service Quality Rule for trunk blockage. BST must also provide detailed information regarding the corrective actions taken to relieve trunk blockage.

Recommended Modification

BST must submit supplemental performance data that specifically identifies those trunk groups which exceed the Commission's Service Quality Rule for trunk blockage. BST must also provide detailed information regarding the corrective actions taken to relieve trunk blockage.

Recommendation

Recommend.

Checklist Item 6 (Switching)

Statutory Section

Section 271(c)(2)(B)(vi) - Local switching unbundled from transport, local loop transmission, or other services.

This item requires BST to provide nondiscriminatory access to the features and functionalities of the switch, on an unbundled (stand-alone) basis, at any technically feasible point. This must be provided at just and reasonable rates, terms and conditions, determined by the State commission pursuant to the federal guidelines.

Section 271(c)(2)(B)(vi) of the Act requires a Section 271 applicant to provide or offer to provide "local switching unbundled from transport, local loop transmission, or other services." Section 271(c)(2)(B)(ii) requires the applicant to show that it offers "nondiscriminatory access to network elements in accordance with the requirements of sections 251 (c)(3) and 252(d)(1)."

Section 251(c)(3) establishes an incumbent LEC's "duty to provide, to any requesting telecommunications carrier for the provision of a telecommunications service, nondiscriminatory access to network elements on an unbundled basis at any technically feasible point on rates, terms, and conditions that are just, reasonable, and nondiscriminatory in accordance with the terms and conditions of the agreement and the requirements of [section 251] and section 252."

Section 252(d)(1) of the Act states that determinations by a State commission of the just and reasonable rate for the interconnection of facilities and equipment for purposes of Section 251(c)(2)... shall be based on the cost of providing the interconnection and nondiscriminatory and may include a reasonable profit.

Positions of Parties

Following are summaries of the positions submitted by interested parties:

BST stated that it offers customized routing, which allows the calls from a CLEC's customer served by a BST switch to reach the CLEC's operator service or directory assistance service platforms instead of BST's operator service and direct assistance platforms. BST provides selective routing to CLECs in Georgia using Line Class Codes. BST also is developing a second method for providing selective routing through the use of BST's Advance Intelligent Network (AIN) platform. A technical trial of selective routing using BST's AIN platform commenced in Georgia during January 1998 and is progressing as scheduled.

AT&T argued that BST must allow CLECs to use the loop in combination with the switch and other unbundled network elements in an efficient and nondiscriminatory manner and also must make combinations available at cost-based rates. AT&T further stated that BST must provide CLECs, who purchase local switching, the usage detail that will permit CLECs to bill for access charges, and must also demonstrate that it can provide the full range of features, functions and capabilities of the switch. Included in this should be the ability for a CLEC to activate and change features, define the translation for customers, and provide usage billing.

Currently a CLEC has only one method to combine UNEs--collocation. This process impose four serious obstacles to effective competition:

1. The customer's line must be taken out of service for a significant period of time and with a substantial risk of an extended outage;
2. CLECs cannot use the loop/switch combination
 - a. to service any customer soon,
 - b. to serve competitively significant numbers of customers,
 - c. to serve some customers at all;
1. CLEC customers receive inferior service compared to that of a BST customer; and
2. CLECs will incur excessive and entirely unnecessary costs that alone effectively would foreclose competition via loop/switch combinations with BST.

The separation of combined network elements results in inflated rates that are neither cost-based nor forward-looking. Under the terms of the SGAT, CLECs desiring to offer service using combined UNEs must do so by purchasing loops and ports designed for individual, stand-alone applications and combine them using collocated facilities. This also imposes obstacles to effective competition.

CLECs still do not have the full range of vertical features that the unbundled switch is capable of providing. This prohibits CLECs from making use of the inherent capabilities of the switch to provide new services or features to customers.

MCI stated that BST must concede that it is not yet furnishing CLECs with any substantial switching functions or capabilities. "Until standards are set, absent a body of actual experience with unbundled switching, BellSouth's commitments will mean little." This experience will not come until competition has been developed to a point where requirements are defined by customers' needs.

Commercial Usage and Compliance

General Description

BST offers the following local switching options:

- a. 2-Wire and 4-Wire analog ports,
- b. 2-Wire ISDN ports,
- c. 4-Wire ISDN DS-1 ports,
- d. 2-Wire DID ports,
- e. 4-Wire DID DS-1 ports,
- f. 4-Wire coin ports, and
- g. Additional options. Additional port types and other options are available where technically feasible. CLECs may use the Bona Fide Request Process set out in Attachment B to obtain additional switching options. BST has submitted detailed information to the Commission regarding a technical description of unbundled local switching, procedures for ordering and provisioning and a summary of the end-to-end test undertaken by BST.

As of May 1, 1998, BST had 4 unbundled switch ports in service in Georgia. Many CLECs are providing their own switching capabilities and connect their networks to BST's network via the interconnection trunks.

BST had filed approximately 60 negotiated interconnection agreements that contain provisions for unbundled local switching as of July 1, 1998.

The Commission required BST to make available selective routing using Line Class Codes, in Docket No. 6801-U. A second method for providing selective routing now being tested is through the use of BST's AIN. A technical trial of selective routing using BST's AIN platform commenced in Georgia during January 1998, and is progressing as scheduled. Until such time as the method become available, BST continues to provide customized routing through the use of line class codes.

Cost

The Commission established rates for local switching based on a TELRIC cost methodology in accordance with Section 252(d)(1) of the Act in Docket No. 7061-U. The recurring rate for a 2-wire analog port is \$1.85. (See Docket No. 7061-U Order, Attachment A, Section B). The switch port includes all features and functionalities of the switch. There are no separate charges for switch port features or functionalities. Additionally, the Commission decided that whatever functionalities BST makes available to itself in the switch port, it must make available to the CLECs.

OSS

In Docket No. 8354-U, the Commission ordered BST to provide business rules to CLECs for LEO, LESOG, SOER, and Version 7.0 of EDI. The Commission also ordered BST to implement e-mail capabilities for pre-ordering and ordering with respect to complex UNE orders. In addition, the Commission directed BST, in conjunction with CLECs, to present the issue of mechanized complex orders to the Ordering and Billing Forum ("OBF").

Performance Measurements

The Commission's Order issued in Docket No. 7892-U adopted comprehensive performance measurements associated with BST's provision of UNEs. A summary and definition of the relevant standards adopted, including data reported by BST, are set forth below.

Average Installation Intervals Non-Mechanized LSRs

Definition: Average time from receipt of a confirmed service request to actual order completion date (including Firm Order Confirmation time).

March 1998

FOC Install Total

| | | | |
|--------------------------|------|-------|-------|
| UNE non-design dispatch | 1.53 | 9.19 | 10.72 |
| BST retail business unit | 0 | 10.65 | 10.65 |

April 1998

FOC Install Total

| | | | |
|--------------------------|------|------|-------|
| UNE non-design dispatch | 2.54 | 9.65 | 12.19 |
| BST retail business unit | 0 | 9.52 | 9.52 |

May 1998

FOC Install Total

| | | | |
|--------------------------|------|------|-------|
| UNE non-design dispatch | 2.24 | 8.34 | 10.58 |
| BST retail business unit | 0 | 9.7 | 9.7 |

June 1998

FOC Install Total

| | | | |
|--------------------------|------|------|-------|
| UNE non-design dispatch | 1.49 | 8.62 | 10.11 |
| BST retail business unit | 0 | 9.23 | 9.23 |

Products found within the UNE Non-Design Category Target Installation Interval (by Qty.)

Customized Call Routing 1-5 Line Class Codes (Circuits) 30 Business Days

Customized Call Routing 6-25 Line Class Codes 60 Business Days

Customized Call Routing >25 Line Class Codes Individual Case Basis

2-wire Analog Line Port 1-10 3 Business Days

Two important measurements adopted by the Commission to ensure that BST is providing CLECs with timely ordering and provisioning capabilities for unbundled switch ports are the Firm Order Confirmation and Order Completion

interval. These measurements allow CLECs to accurately quote installation dates to their customers and ensure that CLEC customers are provided services within the same time frame BST provides service to itself. The Total Average Installation Interval includes the FOC time added to the Order Completion Interval. There are no comparative BST measurements for FOC. BST does not provide a FOC to itself. Therefore no retail analogue exist for this measure. For all those OSS functions that do not have a retail analogue, the Commission established the BellSouth contracted standards as minimum benchmarks. The contracted benchmarks contained in the Sprint Interconnection Agreement reflect a FOC interval of 24 hours (1 day) and an Average Completion Interval for a two-wire analog port of 3 business days. The Total Average Completion Interval is 4 days.

For the reported time period March through June, 1998, BST's Total Average Completion Interval for UNE non-design dispatch was approximately 11 days. The measurement exceeds the contracted benchmark for a switch port which is contained in the Sprint Interconnection Agreement. The service category of UNE non-design includes 28 separate UNEs. The target installation interval for each varies from 2 to 60 business days. The manner in which the data is aggregated does not allow the Commission to make a comparative analysis to determine if BST is meeting the targeted benchmark for an individual UNE.

Discussion

In the arbitration order involving AT&T (Docket No. 6801-U), the Commission directed BST to unbundle local switching from the other network elements that BST offers as part of its "port" (switching plus Operator Systems services, directory assistance, repair services and interoffice transport). Local switching provides dial tone for each line and features such as call waiting and call forwarding, proper routing of a call, access to AIN triggers to customize call processing and creation of data necessary for customer billing.

BST must provide all the functionalities of its local switches to CLECs unbundled from transport, local loop transmission and other services. Local switching provides the functionality to connect the appropriate originating lines or trunks wired to the Main Distribution Frame (or to the digital Cross Connect Panel) to a desired terminating line or trunk. Local switch functionality includes line termination, line side switching (dial tone) capability and other switch functionality (*e.g.*, vertical features). It also provides access to all the features and functionalities available to the switch and switch software including transport signaling, 911, operator and repair services, as well as AIN and similar capabilities. The Commission has also required BST to make available selective routing using Line Class Codes ("LCC"). BST is also testing the provision of line class codes through the use of its AIN platform. The Commission has determined that BST has submitted detailed information regarding a technical description of the unbundled switch ports available, procedure for ordering and provisioning and results of end-to-end tests performed.

BST has four unbundled switch ports in service in Georgia as of May, 1998. Many CLECs are providing their own switching capabilities and connect their network to BST's network via interconnection trunks. The Commission further determined that the rates established for unbundled switch ports were computed utilizing a TELRIC methodology consistent with the requirements of Section 252(d)(1) of the Act. The rates determined for the switch ports available include all of the features and functionalities of the switch.

The Commission has adopted performance measurements and benchmarks associated with unbundled switching elements. BST should show three months of consistently good performance in order to demonstrate compliance with the 14-point checklist. BST should submit specific information on this item in connection with any further Commission review in this docket, as follows:

1. BST shall disaggregate reported performance data for the months of July, August, and September, 1998 in the UNE Non-Design category for unbundled local switching to reflect individual data for 2-wire analog ports and customized call routing.
2. BST shall provide detailed information regarding their technical trial for selective routing using the AIN platform. At a minimum, information regarding the technical trial shall include the scope of the test done, participants (internal vs. third party) and the specific test results.

Recommended Modification

BST must disaggregate reported performance data in the UNE Non-Design category for unbundled local switching to reflect individual data for 2-wire analog ports and customized call routing. BST must also provide the results of their technical trial for selective routing using the AIN platform.

Recommendation

Recommend, with the modifications stated above.

Checklist Item 7 (911 and E911, Directory Assistance and Operator Service)

Statutory Section

Section 271(c)(2)(B)(vii) - Nondiscriminatory access to (I) 911 and E911 services; (II) directory assistance services to allow the other carrier's customers to obtain telephone numbers; and (III) operator call completion services.

Section 271(c)(2)(B)(vii) of the Act requires a Section 271 applicant to provide or offer to provide: "[n]ondiscriminatory access to – (I) 911 and E911 services; (II) directory assistance services to allow the other carrier's customers to obtain telephone numbers; and (III) operator call completion services."

Positions of Parties

Following are summaries of the positions submitted by interested parties:

BST submitted that it has satisfied this checklist item for the following three reasons: (1) BST provides nondiscriminatory access to 911 and E911 services. BST has had procedures in place since early 1996 by which CLECs can connect their switches to BST E911 tandems. As of May 1, 1998, CLECs had requested and BST had provided 134 E911 tandem trunks to CLECs in Georgia. (2) BST provides CLECs with Directory Assistance Access Service ("DACS"), which allowed CLEC end users to obtain telephone-listing information from BST. As of May 1, 1998, CLECs in Georgia had 186 directory assistance trunks in place from BST. BST also provides CLECs and other service providers with access to BST's Directory Assistance Database Service ("DADS"). This allowed the CLEC to use BST's subscribers listing information to set up their own directory assistance-type services. (3) BST provides operator call processing, which allows CLECs to obtain both live operator and mechanized functionality. As of May 1, 1998, BST had provided 130 operator services trunks to CLECs in Georgia.

According to AT&T, BST has not provided access to operator services and directory assistance ("OS/DA") that complies with the requirements of the Act. AT&T stated that although nondiscriminatory access to OS/DA is technically feasible and AT&T's interconnection agreement requires it, BST repeatedly has made it difficult for AT&T to obtain it. Even though BST has agreed to provide selective routing in Georgia, AT&T feels that this method is unduly expensive and discriminatory. There are certain inherent costs associated with the LCC method because each central office must be programmed individually and BST representatives need not enter LCCs on their orders. BST has also agreed that AIN routing should be the permanent solution for selective routing, but according to AT&T, BST has delayed testing and intends to implement AIN in a discriminatory manner (for example, a CLEC customer whose calls are routed to the CLEC's OS/DA platform will experience a two second post-dial delay that will not be experienced by BST customers).

MCI stated that (1) BST has not committed to supply the information necessary for CLECs to properly establish, implement and sustain their 911 network; (2) BST has failed to comply with the Act concerning directory assistance services in that it has not even said it would perform at parity, much less actually demonstrated that it has performed at parity. BST currently offers CLECs a choice of access options that include direct on-line access to BST's directory assistance database and access through a copy of the database. These options do not constitute parity of access, because the databases to which BST is offering access do not contain listings for the small, independent LECs; and (3) MCI currently has no way to offer operator services in Georgia for calls routed through BST's switches (for example, when UNE combinations, including local switching, are used). Operator services are the most basic of services that a carrier like MCI would be seeking to provide its customers. BST's failure to accommodate (I) the routing of traffic to CLECs' operator platforms via feature group D and (II) the branding of operator services at BST's platform effectively precludes CLECs from offering their own operator services through resale or through UNE combinations.

Commercial Usage and Compliance

As of May 1, 1998, CLECs have requested and BST has provided 134 E911 trunks, 186 directory assistance trunks, 130 operator services trunks and 22 verification trunks to CLECs in Georgia. According to BST, no end-to-end testing was performed because methods and procedures have been in place to allow other carriers access to the aforementioned services.

General Description

BST's SGAT under Section 252(f) of the Telecommunications Act of 1996, GPSC Docket No. 7253-U, filed August 11, 1998 states that BST provides nondiscriminatory access to the 911/E911 network, directory assistance and operator call completion services and associated databases under the following terms:

Basic 911 and E911 provide callers access to the applicable emergency service bureau by dialing a three-digit universal telephone number. A CLEC's customers will be able to dial and reach emergency services bureaus providing 911/E911 service in the same manner as BST's customers. For basic 911 service, BST will provide to a CLEC a list consisting of each municipality that subscribes to Basic 911 services. For E911 service, a CLEC will be required to install a minimum of two dedicated trunks originating from the CLEC's serving wire center and terminating to the appropriate E911 tandem. Charges for 911/E911 service are borne by the municipality purchasing the service. BST will impose no charge on CLECs beyond applicable charges for BST trunking arrangements. BST will load CLEC end-user information into 911/E911 databases in the same manner it loads BST end-user information so that CLEC end-user information is available at the same time and manner as BST end-user information. The detailed practices and procedures contained in the E911 Local Exchange Carrier Guide for Facility-Based Providers determine the appropriate practices and procedures for BST and CLECs to follow in providing 911/E911 services.

BST includes CLEC subscriber listings in BST's directory assistance databases at no charge. CLECs must provide timely updates in the appropriate format. BST provides CLECs and their subscribers access to its unbranded directory assistance service. CLEC subscribers will be able to reach BST's directory assistance by dialing the same numbers, and will receive the same treatment, as BST subscribers. If the CLEC provides AIN, then additional services such as directory assistance call completion will be available. If BST brands its own directory assistance services, BST will provide selective routing of calls to a requesting CLEC's directory service platform for provision of CLEC directory assistance services or to a BST platform for BST provision of CLEC-branded directory assistance.

BST provides operator services to CLECs in the same manner and extent, utilizing the same databases, that BST provides operator services to its customers.

In the MCI arbitration, Docket No. 6865-U (Order issued December 17, 1996), the Commission issued rulings regarding branding of operator services and/or directory assistance. The Commission found and concluded that it is technically feasible and appropriate for BST to brand operator services and directory service calls that are initiated from those services resold by MCI. And if for any reason BST finds that this is not possible to implement for MCI, BST shall revert to generic branding for all local exchange service providers, including itself. The Commission further found and concluded that it is technically feasible and appropriate for BST to provide parity in all respects, including leave-behind cards, and to refrain from marketing BST services to MCI customers. This had been previously discussed in Docket No. 6352-U (May 29, 1996), Petition of AT&T for the Commission to Establish Resale Rules, Rates, Terms and Conditions and the Initial Unbundling Services.

The SGAT shows that BST makes available download of the directory assistance database.

Cost

The Commission established forward-looking, statewide averaged cost-based rates for these items in Docket No. 7061-U, using BST's TELRIC model. Information regarding these rates is found in Section G of Appendix A to the Commission's Order in Docket No. 7061-U. A sample of rates from the Commission's Order is listed below:

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

| Rate Element | Recurring | Nonrecurring | Nonrecurring |
|---|-----------|--------------|--------------|
| | Rate | Rate | Rate |
| | | Electronic | Manual |
| Operator call processing – operator provided cost per minute using BST LIDB | .9680296 | | |
| Loading expense per announcement for branded Directory assistance for call completion access service , per call attempt | | | 253.87 |
| Directory assistance access service call, cost per call | .2124568 | | |
| Directory assistance database service, cost per listing | .0445 | | |
| Direct access to directory assistance service, per query | .0469016 | | |

OSS

Not applicable.

Performance Measurements

The Commission’s Order issued in Docket No. 7892-U adopted comprehensive performance measurements associated with BST’s provision of 911, E911, Directory Assistance and Operator Call Completion Services. A summary and definition of relevant standards, including the actual data reported, are contained below.

E911 Timeliness and Accuracy

(Percentage)

Definition: The measurement of percentage of E911 database updates within a 24-hour period and the measurement of the percentage of accurate E911 database updates.

| BST & CLEC Aggregate (Resale) | MARCH | APRIL | MAY | JUNE |
|-------------------------------------|--------|--------|--------|--------|
| % E911 Accuracy | 94.23% | 92.15% | 95.48% | 92.55% |
| E911 Timeliness (% within 24 hours) | 99.85% | 99.84% | 95.85% | 87.82% |

The timeliness measurements account for the elapsed time from the entry of the CLEC retail customer call into the BST call management queue until the CLEC retail customer is transferred to the BST personnel assigned to handle CLEC calls for assistance.

Operator Services: Toll & Directory Assistance

Definition: The measurement of the average time in seconds calls wait before answered by a Toll or DA operator and the percent of Toll or DA calls that are answered in less than a predetermined time frame.

| TOLL ASSISTANCE | MARCH | APRIL | MAY | JUNE |
|--------------------------------------|--------------|--------------|------------|-------------|
| Average Speed to answer (seconds) | 2.89 | 3.08 | 3.05 | 3.10 |
| Percent Answered within "10" Seconds | 91.90% | 91.80% | 91.80% | 91.80% |

Percentage of operator service calls answered within 10 seconds is calculated by dividing the number of calls to operator services answered within 10 seconds by the total number of calls to operator service; that number is then multiplied by 100.

| DIRECTORY ASSISTANCE | MARCH | APRIL | MAY | JUNE |
|--------------------------------------|--------------|--------------|------------|-------------|
| Average Speed to answer (seconds) | 6.02 | 6.17 | 6.08 | 6.03 |
| Percent Answered within "12" Seconds | 90.60% | 93.60% | 90.30% | 93.90% |

The percentage of directory assistance calls within 12 seconds is calculated by dividing the number of calls to directory assistance within 12 seconds by the total number of calls to directory assistance and multiplied by 100. Both functions are reported in the aggregate. (See Docket No. 7892-U.)

BST provisions E911, 911, Toll Assistance and Directory Assistance services to CLECs from the same identical operators, databases and facilities that it utilizes for the provision of these service to its end users. The data reported reflects an aggregation of CLECs and BST usage. Commission Rule 515-12-1-.19 requires 90% of toll and assistance operator calls to be answered within 10 seconds. The results reported reflect that BST is in compliance with the Commission's long-standing service quality rules.

Discussion

The Commission has determined that as of May 1, 1998, CLECs have requested and BST has provided 134 E911 trunks, 186 directory assistance trunks, 130 operator services trunks and 22 verification trunks to CLECs in Georgia.

BST has submitted substantial documentation which provides a technical description of E911, Directory Assistance and operator call completion services. Additional documentation has been provided containing provisions for ordering, provisioning and maintenance of these services. The Commission established forward-looking, statewide averaged cost-based rates in Docket No. 7061-U for access to E911, directory assistance, and call completion services utilizing a TELRIC methodology.

The Commission Staff concedes that the database that BST provides to competing carriers does not contain all the listings that are in BellSouth's own directory assistance and operator services databases. BST is precluded from providing the excluded listings because it has contracts with certain independent companies and competitive LECs that prevent it from including those carriers' subscribers' listings in the database. This issue is currently being addressed by this Commission in Docket No. 6865-U, Complaint of MCI metro Access Transmission Services, Inc.

The Commission has established performance standards which will ensure that BST will continue to provide access to these database services in a timely and efficient manner. The Commission Staff determines that BST is in compliance with Commission service quality rules governing operator handled calls.

Recommended Modification

None.

Recommendation

Recommend.

Checklist Item 8 (White Pages)

Statutory Section

Section 271(c)(2)(B)(viii) states that access or interconnection provided or generally offered by BST must include "White pages directory listings for customers of the other carrier's telephone exchange service."

This item is interpreted by the FCC's Common Carrier Bureau staff to require the BOC to provide listings in its White Pages for residential and business customers of CLECs, on the same basis as it provides listings for its own customers in the White Pages directories.

The term "directory listing" should include, at a minimum, the subscriber's name, address, telephone number, or any combination thereof. Subscriber list information is defined at 47 U.S.C. Section 222(f)(3)(A), to include this information pertinent to White Pages directory listings. The Commission notes that its rules require the publishing of telephone directories listing the name, address and telephone number of all customers, except public telephones and telephone service unlisted at the customer's request. Where customer address and location differ, location should be given. *See* GPSC Rule 515-12-1-.10 Directories.

Positions of Parties

Following are summaries of the positions submitted by interested parties:

BST stated that it has satisfied this requirement by "arranging with its directory publisher to make available white pages directory listings to CLECs and their subscribers at the same rates, terms and conditions for directory listings that are provided to BST's subscribers (i.e., the same information is included, the same type size is used, and the same geographic coverage is offered." BST also asserted that "it is providing white pages directory listings to CLECs and their subscribers, with thousands in place today. (Milner, Tr. at 3836-38.) No party has introduced any evidence to dispute that BST has satisfied Checklist Item 8."

AT&T stated that BST has not been able to ensure that customers of new entrants are listed in BST's directories (White Pages and Yellow Pages). Initially, BST did not provide AT&T with the business rules for ordering directory listings that are necessary for orders to clear BellSouth Advertising and Publishing Corporation's (BAPCO) OSS edits. Without the necessary BAPCO business rules, AT&T's orders could clear BST's OSS for ordering but fall out of BAPCO's OSS. As a result, AT&T's customers could receive services, but would not be listed in BellSouth's directories. Further, AT&T cited inconsistencies in BST's standards for submitting orders for directory listings. AT&T claimed that BST's inconsistent position has prevented it from gaining nondiscriminatory access to white pages directory listing.

Commercial Usage and Compliance

General Description

On March 27, 1998, in Docket No. 7253-U, BST filed its Revised SGAT. The SGAT at Section VIII offers white pages directory listing for customers of other carriers telephone exchange service in compliance with Section 271(c)(2)(B) (viii) of the Act. BST or its agent, BellSouth Advertising and Publishing Corporation ("BAPCO"), will include CLEC residential and business customer listings in the appropriate White Pages (residential and business) or alphabetical directories. Directory listings will make no distinction between CLEC and BST subscribers. CLECs are responsible for providing BST with updates to its listings as well as information for unlisted subscribers. CLECs' directory listing information will be provided the same level of confidentiality that BST provides its own directory listing information.

Cost

BST will provide subscriber primary listing information in the White Pages at no charge to CLECs or their subscribers, provided that the CLEC provides subscriber listings information to BST at no charge. BST offers additional and/or optional listings at tariff rates set forth in its General Subscriber Services Tariff. BST will also include CLEC customers in its Directory Assistance Database at no charge. BST or its agent will deliver white pages directories to CLEC subscribers at no charge.

OSS

BST will provide CLECs a magnetic tape or computer disk containing the proper format for submitting subscriber listings. Further detailed instructions for submitting subscriber listings are provided in the Local Interconnection and Facilities Based Ordering Guide (SGAT Attachment I).

In support of its SGAT, BST filed 87 binders in which Book 8-1 Checklist Item 8 White Page Listings Update Procedures provided technical descriptions and procedures for ordering, provisioning and maintenance for White Pages. It did not include internal or external testing data.

Performance Measurements

Not applicable.

Discussion

Section 271(c)(2)(B)(viii) of the Act requires Bell Operating Companies to provide or generally offer white pages directory listings for customers of the other carrier's telephone exchange service. 47 C.F.R. § 51.5 defines "directory listings" as any information: (1) identifying the listed names of subscribers of a telecommunications carrier and such subscriber's telephone numbers, addresses, or primary advertising classifications (as such classifications are assigned at the time of the establishment of such service), or any combination of such listed names, numbers, addresses or classifications; and (2) that the telecommunications carrier or an affiliate has published, caused to be published, or accepted for publication in any directory format.

The FCC Common Carrier Bureau staff believes that this checklist item (viii) requires the BOC to include the names, addresses, and telephone numbers, or combinations thereof, of the customers of a competing carrier in the local white pages directory. The Bureau staff listed three (3) points that the state commissions should consider in determining whether a BOC satisfies the requirements of this checklist item:

- whether the listing the BOC provides to a competitor's customers is identical to, and fully integrated with, the BOC's customers' listings.
- whether the BOC provides a White Pages listing for a competitor's customers with the same accuracy and reliability that it provides its own customers.
- whether the BOC has procedures in place that are intended to ensure that the listings provided to a competing carrier are comparable, in terms of accuracy and reliability, to the listings provided to the BOC's customers.

In proceedings before this Commission involving white pages directory listings for customers of the other carrier's telephone exchange service, the Commission asserted that its role in directory matters is to ensure that a complete white pages directory is published. The Commission also ruled in Docket No. 6352-U that BST shall include white pages listings for all new resellers' customers in its directory. All other directory arrangements requested should be pursued with BST's service agent BAPCO and arranged by contract. These issues are also addressed in Docket No. 6801-U Interconnection Agreement between AT&T and BST. This Commission historically has not asserted jurisdiction over the publishing of Yellow Pages.

The Commission Staff finds that BST is offering and providing white pages directory listings for customers of the other carrier's telephone exchange services by means of its Revised SGAT and interconnection agreements, in conformance with the requirements of this checklist item.

Recommended Modification

None.

Recommendation

Recommend.

Checklist Item 9 (Numbering Administration)

Statutory Section

Section 271(c)(2)(B)(ix) - Until the date by which telecommunications numbering administration guidelines, plan, or rules are established, nondiscriminatory access to telephone numbers for assignment to the other carrier's telephone exchange service customers. After that date, compliance with such guidelines, plan, or rules.

Telephone numbers are presently assigned to telecommunications carriers based on the first three digits of the local number known as "NXX" codes. To fulfill the nondiscrimination obligation in checklist item (ix), BST must provide competing carriers with the same access to new NXX codes within an area code that BST enjoys. This checklist item ensures that competing providers have the same access as BST to new telephone numbers.

Section 251(b)(3) imposes upon all LECs, including BST, the duty to provide dialing parity to competing providers of telephone exchange service and telephone toll service, and the duty to permit all such providers to have nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listing, with no unreasonable dialing delays.

The FCC has stated that any attempt by an incumbent LEC to delay or deny central office code assignments for competing providers of telephone exchange service would violate Section 251(b)(3), where applicable, Section 202(a), and the Commission's numbering administration guidelines. Section 202(a) 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. The FCC has added that incumbent LECs must apply identical standards and procedures for processing all numbering requests, regardless of the identity of the party making the request.

Positions of Parties

Following are summaries of the positions submitted by interested parties:

BST believes that it has met the statutory requirements for this item. BST further stated that Lockheed-Martin officially assumed the North American Numbering Plan Administration ("NANPA") functions, previously administered by BellCore, in February 1998. The transition of responsibility from BST to Lockheed was scheduled to begin on July 6,

1998 and conclude on August 14, 1998. During the transition, BST stated that it would continue to administer the numbering plan, including NXX code assignments, to all CLECs in a nondiscriminatory manner. BST added that the Commission previously determined that it adheres to the code administration guidelines published by the Industry Numbering Council. These guidelines provide instructions to CLECs in requesting and assigning NPA/NXX codes. In further support, BST showed that as of April 9, 1998 it had assigned 377 NPA/NXX codes to CLECs in Georgia, including MediaOne and MCImetro. BST had assigned a total of 1,311 NPA/NXX codes to CLECs in its nine-state region. With the exception of NXX rationing due to NPA exhaust situations, BST stated it has not refused any CLEC request for NPA/NXX code assignments in Georgia or its nine-state region.

AT&T's comments focused on its effort to interconnect with BST's network using AT&T's Digital Link ("ADL") service. In activating and testing the requested NPA/NXXs assigned to ADL numbers in BST central offices, AT&T stated BST incorrectly routed 25 of 28 NXXs. AT&T contended that this issue must be resolved to ensure CLECs have equal nondiscriminatory access to telephone numbers.

Globe addressed the problems it has experienced with the provisioning of NPA/NXX numbers by BST. Globe stated that its August 8, 1997 application for dialing codes was not granted until November 20, 1997 which caused a substantial delay in its market launch. Globe also cited the voluminous amount of paperwork and the required steps to implement the Local Exchange Routing Guide ("LERG") once the dialing code was granted. Globe believes there was no distinction or priority given to start-up CLECs seeking one dialing code to commence business.

MCI stated that the newly appointed third party Numbering Administrator has not yet begun the task of assigning numbers. Although BST has stated that it will comply with the "final and nonappealable" guidelines, plan or rules adopted to be used by the Numbering Administrator, MCI asserted that this leaves a gap, since the existence of "final and nonappealable" rules may not occur for years. BST must be required to comply with the FCC's requirements during any appeals.

MCI also asserted that BST fails to offer parity with respect to NXX loading. According to MCI, BST should, at a minimum: (1) properly load CLEC NXXs in accordance with the information provided by the CLEC in the LERG; (2) test to ensure that the NXXs have been loaded properly into all appropriate switches; (3) notify the industry of new NXX codes being opened; and (4) notify the CLEC that the NXX code has been loaded successfully and tested and that industry notice has been given. Finally, MCI pointed out the Commission ordered NPA overlay for North Georgia (Docket No. 7243-U) in which the Commission indicated the need for Rate Center Consolidation ("RCC") and 1000s block number pooling. MCI believes these issues must be resolved before BST is allowed into the interLATA market.

Commercial Usage and Compliance

General Description

In its August 6, 1998 SGAT in Docket No. 7253-U, BST states that it makes nondiscriminatory access to telephone numbers available to CLECs and their customers under the following terms and conditions:

BST currently serves as the North American Numbering Plan ("NANP") Administrator for its territory. During the term of this Statement, and while BST continues to serve as the numbering plan administrator, BST ensures that CLECs, whether facilities-based or resellers, have nondiscriminatory access to telephone numbers for assignment to their customers under the same terms that BST has access to telephone numbers. BST provides numbering resources pursuant to the BellCore Guidelines regarding number assignment. A CLEC will be required to complete the NXX code application in accordance with Industry Carriers Compatibility Forum, Central Office Code Assignment Guidelines, ICCF 93-0729-010. BST's procedures for providing access to telephone numbers in Georgia have been filed with the Commission.

When BST is no longer the NANP Administrator, BST will comply with the final and nonappealable guidelines, plan or rules adopted pursuant to 47 U.S.C. § 251(e).

As of April 9, 1998 BST had assigned 377 NPA/NXX codes to CLECs in Georgia.

The transition of responsibility from BST to Lockheed-Martin as NANP Administrator was scheduled to begin July 6,

1998 and conclude on August 14, 1998.

Pursuant to the Federal Advisory Committee Act, in a Report and Order released on July 13, 1995, the Federal Communications Commission (FCC) established the North American Numbering Council ("NANC") to represent all segments of the telecommunications industry in numbering administration. On October 9, 1997, the FCC issued a decision pertaining to administration of the North American Numbering Plan (CC Docket No. 92-237), adopting rules that were to become effective on November 24, 1997 ("Third Report and Order"). This Third Report and Order adopted the recommendation of the NANC and selected Lockheed IMS as the North American Numbering Plan Administrator ("NANPA") and the National Exchange Carriers Association ("NECA") as the NANPA Billing and Collection Agent ("B&C Agent"). The Third Report and Order also adopted proposed rules for governance of the NANPA and B&C Agent. These rules establish a minimal set of mandatory requirements that are designed to give the industry flexibility to perform number administration in a manner that meets the industry's needs for numbering resources. Further, the FCC directed the NANPA to assign and administer NANP resources consistent with industry-developed guidelines and FCC regulations.

On June 6, 1997 BST filed extensive documentation with the Commission outlining its procedures for code administration, including among other things, the Central Office Code (NXX) Assignment Guidelines (INC 95-0407-008) developed by the North American Industry Numbering Committee (INC). These guidelines contain the following time lines for receiving and processing code activation and code assignment requests.

I. Code Activation Time Line

|-----|-----|-----|-----|

0 10th 15th 66th Calendar 246th Calendar Day Working Working Day (6 Months from

Day Day (21st Calendar Day) Effective Date)

Request for Routing Data Base System Effective Date Maximum Code

code(s) received and BellCore Rating Input Activation Date

Data Base System Input

| <-----> |

Code Admin.

Response

| <-----> |

Code Request Processing

| <-----> |

45 Day Activation Interval

II. Code Reservation Time Line

Note: All dates are measured from receipt of application.

|-----|-----|-----|-----|

Request Reservation Reservation

for code Period Extension

Reservation Received

| <----->|

Code Admin.

Response

| < -Proposed Code Activation Date- >|

| < -Extended Code Activation Date- >|

| < -----Code Reservation----- >| < -----Reservation Extension----- >|

| < -----Maximum Code Reservation----- >|

- At 6 Months

The Code applicant will either:

- Submit a code activation request or
- Request a reservation extension (in writing) or
- Cancel the reservation.

The Code Administrator will either:

- Extend the code reservation period (based on the Code Applicant's input) or
- Notify the Code Applicant of the intent to reclaim the code, initiate the code reclamation process and cancel the code reservation or
- Begin the code activation process.

- At 1 Year

The Code Applicant will either:

- Submit a code activation request or

- Cancel the reservation.

The Code Administrator will either:

- Notify the Code Applicant of the intent to reclaim the code, initiate the code reclamation process and cancel the code reservation or
- Begin the code activation process.

Cost

BST has not imposed any fees for the assignment of central office codes.

OSS

Comments filed by parties suggested that BST does not provide nondiscriminatory access to telephone numbers through the OSS interfaces because it limits number reservation by a competing provider to 6 numbers per LENS

session and 100 numbers per central office. BST does not impose such a restriction on itself. BST indicated its willingness to remove the 100 number limit for LENS and EC-Lite. Although BST continued to limit CLECs using LENS to 6 numbers per session, evidence showed that the 100 number restriction was removed in January 1998. In addition, in March 1998 BST removed the restriction prohibiting CLECs from making a 30-day number reservation.

In analyzing BST's Section 271 application for in-region, interLATA services in South Carolina, the FCC noted the restriction placed by BST on new entrants' access to telephone numbers (100 numbers or 5% of numbers per central office) and its impact on competing carriers, while BST does not provide such a restriction on its own retail operations. The FCC explained that BST has stated it would remove the limit; however, any complaints would be reviewed in future BST applications. The FCC further noted that this issue should be resolved following the transition to a neutral permanent number administrator.

Performance Measurements

Not applicable.

Discussion

Pursuant to the federal Act, the Commission ordered BST to provide nondiscriminatory NXX code assignments to all CLECs on the same basis such assignments are made to incumbent LECs, including BST, until such time as an independent third-party administrator is selected. The Commission's Orders approving the arbitrated agreements in cases involving AT&T and MCI also reflect this directive. In addition, the FCC affirmed the North American Numbering Council's selection of Lockheed-Martin IMS for the North American Numbering Plan Administration ("NANPA"). On February 20, 1998, Lockheed-Martin assumed responsibility for all "new" NPA relief planning activities in accordance with the NANPA Transition Plan, with July 6, 1998 as the scheduled date to begin this transition in responsibility and August 9, 1998 as the scheduled completion date.

BST's Revised Statement provides for numbering resources for CLECs pursuant to BellCore "Central Office Code (NXX) Assignment Guidelines" regarding number assignment. BST further complied with the Commission's Order by providing extensive documentation to the Commission that outlines its procedures for code administration. In its January 15, 1998 Order regarding the Revised Statement, the Commission pointed out that BST adheres to the code administration guidelines published by the Industry Numbering Council. As of April 9, 1998 BST assigned 377 NPA/NXX codes to CLECs in Georgia. BST has stated that such numbers are being assigned in a nondiscriminatory manner; however, it did not offer sufficient evidence to demonstrate this has been and is being done. Therefore, the following information must be provided:

1. For the time period up to July 6, 1998, BST shall provide information which itemizes each NPA/NXX code assigned to and activated by CLECs to demonstrate compliance with the Code Reservation and Code Activation Time Line contained in the Central Office Code Assignment Guideline. BST shall also provide for the same time period all requests BST and its affiliates have made for similar assignments to demonstrate compliance with the code assignment guidelines.
2. BST states that the transition of responsibility for number administration from BST to Lockheed-Martin was scheduled to begin on July 6, 1998 and conclude on August 14, 1998. Provide information that details which responsibilities were carried out by BST during the transition period and which responsibilities were performed by Lockheed-Martin during the transition period.
3. During the transition period, BST shall provide information which itemizes each NPA/NXX code assigned to and activated by CLECs to demonstrate compliance with the Code Reservation and Code Activation Time Line contained in the Central Office Code Assignment Guideline. BST shall also provide for the same time period all requests BST and its affiliates have made for similar assignments to demonstrate compliance with the code assignment guidelines.
4. BST shall provide supplemental information that confirms that Lockheed-Martin has assumed all duties regarding number administration.

Recommended Modification

The following information must be submitted before a determination can be made. To demonstrate that nondiscriminatory access to telephone numbers has been and is being provided, BST must provide data to permit a direct comparison of the access to numbering resources that it provides to CLECs with the access provided to itself for retail operations. BST has assigned numerous NXX codes to competing carriers. BST has not refused to assign an NXX code where a legitimate request has been made by a competing carrier. Lockheed-Martin has been selected by the FCC to be the new third-party Number Administrator. To ensure that competing carriers have had and will continue to have the same access to NXX codes as BST, BST must provide supplemental information that confirms that indeed Lockheed-Martin has assumed all duties regarding number administration; and that while BST was the number administrator it assigned NXX codes to competing carriers in the same manner it made assignments to itself.

Recommendation

No determination.

Checklist Item 10 (Database and Signaling)

Statutory Section

Section 271(c)(2)(B)(x) - Nondiscriminatory access to databases and associated signaling necessary for call routing and completion.

Databases and associated signaling refer to call-related databases and signaling systems that are used for billing and collection or the transmission, routing, or other provision of a telecommunications service. To fulfill the nondiscrimination obligation in checklist item (x), BST must demonstrate that it provides new entrants with the same access to these call-related databases and associated signaling that it provides itself. This checklist item ensures that competing providers have the same ability to transmit, route, complete and bill for telephone calls as BST.

BST should provide requesting telecommunications carriers with access to call-related databases and service management systems in a manner that complies with Section 222 of the Act. Section 222 relates to maintaining the privacy of information; it provides, *inter alia*, that every telecommunications carrier has a duty to protect the confidentiality of proprietary information of, and relating to, other telecommunications carriers, equipment manufacturers, and customers, including telecommunications carriers reselling services. 47 U.S.C. Section 222(a).

Section 271(c)(2)(B)(ii) also requires a Section 271 applicant to demonstrate that it offers "[n]ondiscriminatory access to network elements in accordance with the requirements of sections 251(c)(3) and 252(d)(1)."

Section 251(c)(3) establishes BST's duty as an incumbent LEC to provide nondiscriminatory access to network elements on an unbundled basis at any technically feasible point on rates, terms, and conditions that are just, reasonable, and nondiscriminatory in accordance with the terms and conditions of the agreement and the requirements of Sections 251 and 252.

Section 252(d)(1) provides that State commission determinations of the just and reasonable rates for interconnection and unbundled network elements shall be based on the cost, nondiscriminatory, and may include a reasonable profit.

Positions of Parties

Following are summaries of the positions submitted by interested parties:

BST stated, as of March 1, 1998, seven facilities-based CLECs are interconnected through an interexchange carrier connected to BST; and another 10 CLECs are interconnected by using a third-party hub provider which in turn accesses BST's signaling network. BST explained that access is available if the appropriate signaling links are in place. BST stated they are providing nondiscriminatory access and that Checklist Item (x) has been met.

AT&T argued that BST has been unable to demonstrate that it can provide selective routing that would permit CLEC customers to be routed directly to their providers' operator service/directory assistance database. To implement LCCs each central office must be programmed individually and once programmed BST requires AT&T to supply the BST-developed LCCs for each Local Service Request. The BST representatives do not need to enter LCCs on their orders. Another problem is that AT&T is required to populate the LCC in the Features Field of an order, which is not required of the BST service representatives. AT&T does not believe that BST is providing nondiscriminatory access to databases and call routing.

Knology is required by BST to use analog switching rather than digital switching in the Columbus area. This has caused a decrease in sound volume, which Knology declares will drive small business customers back to BST. Knology stated that since analog switching is inferior and outdated technology, this does not provide nondiscriminatory access to databases and associated signaling necessary for call routing and completion.

MCI stated that BST only permits CLECs to read information about their customers from the Line Information Database ("LIDB") and the CLEC is required to pay for each query. While CLECs could construct their own LIDBs it is cost prohibitive at this time. The fact that BST will have the capability to change data and not just read it puts the CLEC at a disadvantage. MCI feels that BST has not provided parity of access to call routing and completion databases.

MGC complained that, on two different occasions, BST's inability to download the updated NXX database to its switches in a timely manner caused customers of MGC to be unable to receive calls from certain exchanges. Due to the service disruptions MGC has experienced and the damage that may have been done to their reputation, this may have affected their ability to compete fairly with BST.

Commercial Usage and Compliance

General Description

BST is providing access to the signaling elements necessary for call routing and completion, including Signaling Links, Signal Transfer Points, and Service Control Points ("SCP") databases. Some of the SCPs/Databases that CLECs have access to include LIDB, 800 database, Automatic Location Identification and Data Management System, and AIN.

AIN is a BellCore term used to describe the architecture of the telephone network of the future. Most AIN features are dependent on out-of-band signaling provided by Signal System 7 ("SS7") technology which can provide special routing and call-handling instructions.

Line Information Database (LIDB) is a computerized database used to cross-reference subscriber information and carrier information.

Service Control Point ("SCP"), in SS7, is a computer database that stores information for network applications such as credit card validation or translation of an 800 number into a regular 10-digit phone number.

Signal Transfer Point ("STP"), in SS7, is a specialized packet switch that routes network control information among circuit switches and between circuit switches and the network information databases called service control points.

The components involved in this item are signaling networks, including signaling links and signaling transfer points, which give the requesting carrier the ability to send signals between its switches (including unbundled switching elements), between its switches and the BST's switches, and between its switches and those third-party networks with which BST's signaling network is connected.

During the period January 1997 through March 1998, BST's region-wide LIDB database processed more than 562 million queries from CLECs and other service providers. Also, CLECs and other service providers across BST's nine-state region completed approximately 401 million queries to BST's Toll Free Number database.

BST's AIN Toolkit 1.0 provides a CLEC with the ability to create and offer AIN-service applications to their end users.

The AIN Toolkit has been tested by BST, however, no CLEC is using the service. AT&T and BST conducted a technical test on AIN. That trial test identified call setup problems that increased post-dial delay that will not be experienced by BST customers. AT&T stated that some of the delay is attributable to BST's decision to direct all of the calls to BST's AIN tandem.

The Commission ruled in the AT&T arbitration, Docket No. 6801-U, that if BST uses mediation (filtering) in routing calls for CLECs, it must use the same mediation for the routing of its customers' calls as well. When BST determines that a mediation device is necessary on any part of the network, BST shall also route its calls in the same manner.

Cost

The Commission established the rates and charges associated with access to and usage of the BST databases in Docket No. 7061-U utilizing a TELRIC methodology in accordance with Section 252(d)(1) of the Act. The per-query charge for LIDB validation is \$0.0105974, and the per-query charge for AIN Toolkit Service is \$0.0209223 (see Docket No. 7061-U Order at Appendix A, Sections E and K).

OSS

BST has submitted detailed ordering and provisioning procedures which demonstrated how a CLEC can electronically order access to BST's databases and signaling systems. In Docket No. 8354-U, the Commission ordered BST to provide business rules to CLECs for LEO, LESOG, SOER, and Version 7.0 of EDI. The Commission also ordered BST to implement e-mail capabilities for pre-ordering and ordering with respect to complex UNE orders. In addition, the Commission directed BST in conjunction with CLECs to present the issue of mechanized complex orders to the Ordering and Billing Forum ("OBF").

Performance Measurements

Not applicable.

Discussion

The Commission Staff determined that BST is providing access to the signaling elements necessary for call routing and completion, including Signaling Links, Signal Transfer Points, and Service Control Points ("SCP") databases. Some of the SCPs/Databases that CLECs have access to include Line Information Database ("LIDB"), 800 database, Automatic Location Identification and Data Management System and Advanced Intelligent Network ("AIN").

During the period January 1997 through March 1998, BST's region-wide LIDB database processed more than 562 million queries from CLECs and other service providers. Also, CLECs and other service providers across BST's nine-state region completed approximately 401 million queries to BST's Toll Free Number database.

The Commission established the rates and charges associated with access to and usage of BST's databases in Docket No. 7061-U, utilizing a TELRIC methodology in accordance with Section 252(d)(1) of the Act.

The Commission Staff also determined that BST has failed to provide sufficient evidence to demonstrate it is providing CLECs access to its databases in a manner that is substantially the same as it provides to itself, thus the following information should be submitted:

1. BST shall provide a detailed comparison of the manner in which BST obtains access to its databases and signaling network and the manner in which it provides, or is able to provide, upon request, such access to competing providers.
2. BST shall provide a detailed explanation of any difference in the manner in which BST obtains access to a database or signaling system, and the manner in which such access is provided to a competing provider, the need

for such differences, and the basis for the Commission to find that such access satisfies the nondiscrimination requirement.

3. BST shall provide detailed information which demonstrates that it provides competing LECs access to the same features and functionality associated with these call-related databases and signaling systems that it provides to itself.

Recommended Modification

The following information must be submitted before a determination can be made. BST must provide information detailing the manner in which it provides new entrants with the same access to call-related databases and associated signaling that it provides to itself. In addition, BST must demonstrate that it provides CLECs access to the same features and functionalities associated with these call-related databases and signaling systems that it provides to itself.

Recommendation

No determination.

Checklist Item 11 (Number Portability)

Statutory Section

Section 271(c)(2)(B)(xi) - Until the date by which the FCC issues regulations pursuant to Section 251 to require number portability, interim telecommunications number portability through remote call forwarding, direct inward dialing trunks, or other comparable arrangements, with as little impairment of functioning quality, reliability, and convenience as possible. After that date, full compliance with such regulations.

Number portability enables consumers to take their phone number with them when they change local telephone companies. To fulfill checklist item (xi), BST must provide number portability in a nondiscriminatory manner as soon as reasonably possible following a request from a competitor.

Section 251(b)(2) provides that all LECs have the duty to provide, to the extent technically feasible, number portability in accordance with requirements prescribed by the FCC. Number portability as defined in 47 C.F.R. Section 52.21(k) is the ability of users of telecommunications services to retain, at the same location, existing telecommunications numbers without impairment of quality, reliability or convenience when switching from one telecommunications carrier to another.

Positions of Parties

Following are summaries of the positions submitted by interested parties:

BST cited the Commission's previous finding that "BellSouth has demonstrated its ability to provide Interim Number Portability through Remote Call Forwarding or Direct Inward Dialing Trunks." In addition, BST offers other interim number portability arrangements in its SGAT, including Route Index-Portability Hub ("RI-PH") and Directory Number Route Indexing ("DNRI").

As of May 1, 1998, using these interim number portability measures, BST had ported 10,051 business directory numbers and 420 residence directory numbers to CLECs in Georgia, including MCImetro, MediaOne, Knology, e•spire, and MFS. As to the implementation of permanent Local Number Portability ("LNP"), BST continues to work diligently with the industry, State commissions, and the FCC to establish LNP in the top Metropolitan Statistical Areas ("MSAs") in the Southeast. Delays have occurred due to the inability of the original number portability database administrator to establish the Number Portability Administration Center Service Management System database. As a result of these problems, on March 31, 1998, the FCC issued an Order *In re: Telephone Number Portability*, CC Docket No. 95-116, granting BST's petition to extend the Phase I deadline for implementing LNP in the Atlanta MSA until August 31, 1998. In connection with the extension of the Phase I deadline for BST, the FCC imposed reporting

and notice requirements on BST so that the FCC could monitor progress on the implementation of LNP. BST filed the first such report with the FCC on May 8, 1998.

According to the FCC Staff, a timely filed request for an extension of the FCC's implementation schedule for LNP "tolls the obligation to comply with the [FCC's] rules for purposes of checklist compliance." Accordingly, BST stated that it has satisfied the requirements of Checklist Item No. 11, notwithstanding the delay encountered in implementing permanent LNP.

AT&T argued that BST has not provided adequate detail to demonstrate that BST can provide number portability in compliance with the Act. BST does not have adequate methods and procedures for testing, confirmation of features, billing issues, and reciprocal compensation in place to offer INP efficiently, which has caused a delay for AT&T.

AT&T and BST have agreed to the use of Route Indexing-Portability Hub ("RI-PH") as the INP solution; however, BST has been unwilling to confirm infrastructure ordering requirements to a sufficient degree to allow AT&T to identify the provisioning intervals for end office arrangements to install RI-PH.

BST provided AT&T rates for RI-PH, which under certain circumstances were less than those for an alternative solution, like Remote Call Forwarding. However, BST has refused to justify the rates it charges for RI-PH. Such low rates could generate a high level of demand for RI-PH. Until permanent, competitively neutral rates for RI-PH and other methods of number portability are available, BST's offering of number portability is not checklist compliant.

e• spire purchases Service Provider Number Portability ("SPNP") from BST as a form of INP. e• spire contended that BST has yet to demonstrate that it can cut over unbundled loops in coordination with number portability within the 5-minute interval contained in e• spire's interconnection agreement. BST's SGAT ensures that the ordering of an efficient, coordinated cutover of loops and number portability will not be economically viable for Georgia CLECs. When a CLEC attempts to schedule a cutover time, and even with a guarantee of a 15-minute cutover interval, the price of the number portability/loop combination is not cost-based and is no longer available as a means of market entry.

Globe contended that the current INP solution puts CLECs at a competitive disadvantage. The use of the INP scheme discriminates against Globe because of the differences in functionality and the additional associated costs related to INP that are not incurred by BST for equivalent services. Globe cannot offer caller ID or voice-mail at parity with BST using remote call forwarding required by INP. Globe believes that there should be no charge paid by CLECs to BST for providing interim service. Until there is true number portability, the marketplace will not be subject to fair and even-handed competition, and the CLECs will continue to suffer discrimination.

Intermedia alleged that BST has not demonstrated that it can comply with LNP obligations. The revised FCC deadline for BST's implementation of Phase I of LNP was August 31, 1998. CLECs in Georgia have a ninety-day window within which to convert from INP to LNP. At this point, there is no evidence to suggest that BST will be able to accommodate the number portability conversion requests within the specified time frame.

BST has not identified a cost recovery mechanism to recoup the costs of LNP. Thus, it is difficult to predict whether BST's number portability cost recovery mechanism will be consistent with the pricing requirements of the 1996 Act.

Knology stated that BST provides them with inferior and outdated analog switching, rather than digital switching, within Knology's service area in Columbus. The use of an analog switch for INP provides Knology's customers with a substandard level of sound volume, thereby rendering their telephone calls difficult to hear.

The current INP solution puts CLECs at a competitive disadvantage. The use of the INP scheme discriminates against Knology because of the differences in functionality and the additional associated costs related to INP that are not incurred by BST for equivalent services. Knology cannot offer caller ID or voice mail at parity with BST using RCF required by INP. Knology argued that there should be no charge paid by CLECs to BST for providing interim service. Until there is true number portability, the marketplace will not be subject to fair and even-handed competition, and the CLECs will continue to suffer discrimination.

MCI asserted there has been no evidence produced, nor have there been any filings made, that establish BST has met

the requirements of Section 251(b)(2). The revised FCC deadline for Phase I of LNP was August 31, 1998, a number of months from the 4th quarter 1997 initiation contemplated in the Commission's October 29, 1997 Order in Docket No. 5480-U. One reason that this deadline was extended was that Perot Systems, the company chosen by the Southeast Limited Liability Corporation to be the Number Portability Administration Center vendor, could not meet its deadlines and was replaced in February 1998 by Lockheed. While this caused some delay, BST in particular tried to take advantage of the situation. BST claimed that it needed until December 31, 1998 to implement software modifications.

MCI added that the schedule BST proposed included exaggerated and padded periods of time to complete the various tasks. The FCC rejected BST's request for such a protracted delay and directed BST to initiate phase I by August 31, 1998. Section 251(b)(2) cannot be met until permanent number portability is implemented under the FCC's schedule.

MediaOne is a facilities-based CLEC and is dependent on BST for number portability. Because LNP is not yet available in Georgia, MediaOne relies on BST to provide remote call forwarding as an interim solution for number portability.

MediaOne alleged it has suffered continuing quality of service problems with BST's provision of RCF that impact its ability to serve customers in Georgia. As recently as January 1998, MediaOne experienced service disruptions with regard to RCF functionality in the Buckhead area. MediaOne has also experienced severe difficulties in efficiently obtaining RCF for its customers.

Delays in BST providing RCF have at times limited MediaOne's ability to provision customers to 7 days or more. Part of the problem is directly related to the manual fax process BST requires MediaOne to use to submit RCF orders. BST represented that recent changes to BST's OSS (EDI PC) should alleviate this problem, however, such relief has not occurred as of this date. BST's claim that it is operating at parity with BST's retail units similarly appears unsupportable. The Commission should find that BST has not met this checklist item until this service quality problem is resolved.

TRA noted that the FCC has ordered the implementation of Phase I LNP by September 1, 1998. While BST is not, as of the date of this filing, required to provide LNP, by the time the FCC rules on any BST application for in-region, interLATA authority in Georgia, this date will have passed. Consequently, any ruling by this Commission regarding BST's satisfaction of this checklist item, based upon its INP solutions, will be moot before the FCC renders its decision. Therefore, the Commission should only find BST in compliance with this checklist item if it demonstrates that it can satisfy its Phase I LNP obligations by September 1, 1998.

WorldCom asserted that BST has yet to finalize the methods and procedures for interim and long-term number portability as required. Remote Call Forwarding, Direct Inward Dialing, Route Indexing-Portability Hub, and Directory Number Route Indexing are not satisfactory interim solutions because they do not provide the required parity between BST's service and CLECs' service. Until service for all CLEC customers is comparable to that provided BST customers for number portability, development of competition into the local market will be inhibited. BST has not met the threshold requirements of item 11 until a permanent and practicable workable solution to number portability and any transition from INP to LNP have been developed.

Commercial Usage and Compliance

General Description

BST provides Interim Number Portability ("INP") through Remote Call Forwarding ("RCF") and Direct Inward Dialing ("DID") trunks. BST also offers Route Indexing-Portability Hub ("RI-PH") and Directory Number Route Indexing ("DNRI") as additional arrangements in provisioning INP to the extent technically feasible.

An LNP solution was scheduled to be initiated in the 4th quarter 1997, as monitored in Docket No. 5840-U. Delays occurred due to the inability of the original number portability database administrator to establish the Number Portability Administration Center Service Management System database. The FCC in CC Docket No. 95-116 extended the deadline for implementing permanent local number portability in the Atlanta Metropolitan Statistical Area ("MSA") until August 31, 1998. The database administrator was chosen through an industry consensus process. The delay in

implementing an LNP solution was not attributed to any one party due to efforts by the Number Portability Workgroup (established in GPSC Docket No. 5840-U) to develop a permanent switch-based solution. LNP is being implemented in the Atlanta MSA at this time.

As of May 1, 1998, through actual usage of remote call forwarding or direct inward dialing interim number portability measures, BST has ported 10,051 business directory numbers and 420 residence directory numbers to CLECs in Georgia, including MCImetro, MediaOne, Knology, e•spire, and MFS.

Internal testing information is located in BST Binder 11-1 filed on June 6, 1997 in Dockets No. 6863-U/7253-U. Third-party testing information is available in the Putnam Affidavit filed on June 4, 1998 in Docket No. 6863-U.

The Georgia Number Portability Steering Committee and the Southeast Number Portability Administration Company continue meeting jointly on a monthly basis. The Southeast LNP Operations Sub-Committee continues to meet monthly. State Implementation Teams are meeting monthly and finalizing industry test plans for each of the Top 100 MSAs in the Southern Region.

Given the change in NPAC vendors and ensuing adjustments made by service providers, industry testing was scheduled to begin in the Atlanta MSA July 16, 1998. The industry test window was 30 days.

The initial office deployment for the Atlanta MSA of LNP capability is set out on page 9 of Appendix A, to Georgia Number Portability Steering Committee Monthly Status Report No. 2, Docket No. 5840-U, May 1996. BST switches in the Atlanta MSA were opened for number porting August 24, 1998 in order to meet the revised FCC deadline of September 1, 1998.

In connection with the extension of the Phase I deadline for BST, the FCC imposed reporting and notice requirements on BST so that the FCC could monitor progress on the implementation of LNP. BST filed the first such report with the FCC on May 8, 1998. This new deadline required BST to develop interface software functionality that would enable BST to certify the compatibility of its interface with the Lockheed-Martin NPAC in time to begin industry end-to-end testing by July 15, 1998. This was because BST was required by state regulators to perform thorough testing of new services, essentially for 30 days (the equivalent of one billing cycle). By beginning a 30-day end-to-end testing period on July 15, 1998, end-to-end

testing could be completed on August 15, 1998. BST would then have 14 days to implement LNP in the Atlanta MSA, a 30-day reduction from its original plan. The end-to-end testing and the implementation of LNP in the Atlanta MSA was accomplished to meet the revised FCC deadline of September 1, 1998. Commercial porting is taking place in Atlanta at this time.

Cost

The Commission established the cost-based rates for RCF and DID interim number portability in Docket No. 7061-U. (RCF is \$2.03 and DID is \$.93, per number ported). These rates are incorporated into the Revised SGAT at Attachment A. Rates for additional enhanced interim number portability solutions, RI-PH and DNRI, may be obtained through the Bona Fide Request process.

The Commission deferred setting the cost for LNP to the FCC, which issued an order deciding cost recovery for long term number portability in CC Docket 95-116, FCC Order 98-82, released May 12, 1998.

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BST has submitted detailed information regarding a technical description of the various types of number portability offered. Additionally, BST has documented procedures for ordering, provisioning and maintenance of number portability. BST has also engaged in internal testing and third-party testing for interim number portability. BST has employed the services of Ernst and Young to attest to the fact that a CLEC can electronically order number portability utilizing BST's OSS.

Performance Measurements

BST performance data reported for the period May 1998 reflected that 143 residence and 70 business orders for number portability were provisioned. Further review of the data showed BST met 100% of the provisioning appointments on time.

Discussion

BST provides Interim Number Portability ("INP") through Remote Call Forwarding ("RCF") and Direct Inward Dialing ("DID") trunks. BST also offers Route Indexing-Portability Hub ("RI-PH") and Directory Number Route Indexing ("DNRI") as additional arrangements in provisioning INP to the extent technically feasible. BST has also provided adequate documentation regarding ordering, provisioning and maintenance of interim number portability. In addition, BST substantiated that internal and third-party testing has been completed for interim number portability.

The Commission established cost-based rates for interim number portability utilizing a TELRIC methodology pursuant to section 252(d)(1) of the Act. As of May 1, 1998, BST had ported 10,051 business and 420 residential directory numbers to CLECs.

The initial deployment of the permanent number portability solution was instituted in the Atlanta MSA on August 24, 1998. BST and the Georgia Number Portability Steering Committee should continue to file monthly status reports in Docket No. 5840-U on developments and implementation of permanent number portability within the State of Georgia. BST should also provide the Commission with the results of testing long-term portability for the Atlanta MSA. These submissions will help the Commission verify the effectiveness of the long-term portability solution and its implementation.

Recommended Modification

BST and the Georgia Number Portability Steering Committee must continue to file monthly status reports in Docket No. 5840-U on developments and implementation of permanent number portability. BST must provide the results of testing long-term number portability for the Atlanta MSA to show that it works effectively.

Recommendation

Recommend, with the modification stated above.

Checklist Item 12 (Dialing Parity)

Statutory Section

Section 271(c)(2)(B)(xii) - Nondiscriminatory access to such services or information as are necessary to allow the requesting carrier to implement local dialing parity in accordance with the requirements of Sections 251(b)(3).

Section 251(b)(3) imposes upon all LECs the duty to provide dialing parity to providers of telephone exchange service and telephone toll service with "nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listing, with no unreasonable dialing delays."

Essentially this item requires that CLEC customers be able to dial the same number of digits that BST's customers dial, and do not experience unreasonable dialing delays.

Local dialing parity permits customers to make local calls in the same manner regardless of who their service provider is. To fulfill the nondiscrimination obligation in checklist item (xii), BST must establish that customers of a competing provider are able to dial the same number of digits to make a local telephone call, notwithstanding the identity of the customer's, or the called party's, local telephone service provider. In addition, the dialing delay experienced by the customers of a competing provider should not be greater than that experienced by BST's customers. This checklist item ensures that consumers are not inconvenienced in how they make calls simply because they subscribe to a competing

provider for local telephone service.

The Act defines "dialing parity" to mean that a person that is not a LEC affiliate is able to provide services in such a manner that customers have the ability to route automatically, without the use of any access code, their telecommunications to the service provider of the customer's designation from among two or more telecommunications service providers (including such local exchange carrier). 47 U.S.C. Section 153(15).

Positions of Parties

Following are summaries of the positions submitted by interested parties:

BST acknowledged that this checklist item requires it to provide CLECs with nondiscriminatory access to services and information necessary to allow local dialing parity in accordance with Section 251(b)(3). The FCC has held that "local dialing parity will be achieved upon implementation of the number portability and interconnection requirements of Section 251. BST stated that it has satisfied this requirement in that CLEC customers are not required to use access codes or additional digits to complete local calls to BST customers, nor are BST customers required to dial any access codes or additional digits to complete local calls to the customers of any CLEC. The interconnection of the BST network and CLEC networks is seamless from a customer perspective, and "BellSouth is not aware of any complaints from CLECs that they or their end users must dial any access codes or additional digits to complete local calls."

AT&T alleged that nondiscriminatory access to operator services/directory assistance ("OS/DA") is technically feasible, but BST has not demonstrated that it can provide selective routing which would permit CLEC customers to be routed directly to their providers' OS/DA. The principal method to provide selective routing is through switch translations using LCCs; and although BST has agreed to provide such, AT&T finds BST's LCC method unduly expensive and discriminatory. For example, BST insists that AT&T populate the LCC in the feature field of an order, Local Service Request ("LSR"), a step not required of BST service representatives. BST has not developed sufficient processes for the transition of AT&T existing customers from BST's OS/DA to AT&T's OS/DA. AT&T stated that when it inquired about converting customers, BST indicated it would take approximately 6 months to do so.

AT&T added that the permanent solution for selective routing is the AIN database. However, in a technical trial AT&T and BST identified call setup problems that increased post-dial delay to approximately two seconds. AT&T stated that some of this delay was attributable to BST's decision to direct all of the calls to BST's AIN tandem, although selective routing could be provided by the end office AIN.

Globe's comments were identical to that of Knology with the addition of a Service Delays category.

Knology focused its comments in the areas of Service Ordering, Lost Orders, Billing Accounts and Organizational problems.

MCI stated that the choices and substance of the directory options do not constitute parity of access, because the databases which BST is offering do not contain listings for smaller, independent Local Exchange Companies ("LECs"). BST has not specified the terms on which it will offer access to the call completion database.

Commercial Usage and Compliance

General Description

BST provides local dialing parity as stated in Section XII of the SGAT approved by the Commission on July 22, 1998 in Docket No. 7253-U. Local dialing parity means that CLEC customers will not have to dial any greater number of digits than BST customers to complete the same call. In addition, CLEC local service customers will experience at least the same quality as BST local service customers regarding post-dial delay, call completion rate and transmission quality.

Cost

There are no costs associated with this item.

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Not applicable.

Performance Measurements

Not applicable.

Discussion

The Commission Staff determines that BST provides local dialing parity, as stated in Section XII of its Statement of Generally Available Terms and Conditions approved by the Commission in its July 22, 1998 Order in Docket No. 7253-U. This means that CLEC customers will not have to dial any greater number of digits than BST customers to complete the same call. In addition, CLEC local service customers will experience at least the same quality as BST local service customers regarding post-dial delay, call completion rate and transmission quality.

The other parties raised no concerns in favor of, or against, dialing parity. Instead their concerns related to other matters.

Recommended Modification

None.

Recommendation

Recommend.

Checklist Item 13 (Reciprocal Compensation)

Statutory Section

Section 271(c)(2)(B)(xiii) - Reciprocal Compensation. – A Section 271 applicant's access and interconnection must include "[r]eciprocal compensation arrangements in accordance with the requirements of section 252(d)(2)."

"Reciprocal compensation arrangements" refer to agreements between interconnecting carriers about charges for the transport and termination of local telecommunications traffic over their respective networks. Reciprocal compensation requires BST to compensate new entrants and wireless carriers for the cost of transporting and terminating a local call from BST, and requires the new entrants and wireless carriers to compensate BST for the cost of transporting and terminating a local call from the new entrant or wireless carrier. Alternatively, BST and the new entrant or wireless carrier may enter into an arrangement whereby neither of the two carriers charges the other for terminating local traffic that originates on the other carrier's network.

This checklist item is important to ensuring that all carriers that originate calls bear the cost of terminating such calls.

Section 252(d)(2) provides that, for BST's compliance with Section 251(b)(5) reciprocal compensation requirements, the State commission shall not consider the terms and conditions to be just and reasonable unless: (i) such terms and conditions provide for the mutual and reciprocal recovery by each carrier of costs associated with the transport and termination on each carrier's network facilities of calls that originate on the network facilities of the other carrier; and (ii) such terms and conditions determine such costs on the basis of a reasonable approximation of the additional costs of terminating such calls.

Section 252(d)(2)(B) further states that this subsection shall not be construed: (i) to preclude arrangements that afford the mutual recovery of costs through the offsetting of reciprocal obligations, including arrangements that waive mutual

recovery (such as bill-and-keep arrangements), or (ii) to authorize the FCC or any State commission to engage in any rate regulation proceeding to establish with particularity the additional costs of transporting or terminating calls, or to require carriers to maintain records with respect to the additional costs of such calls.

Positions of Parties

Following are summaries of the positions submitted by interested parties:

BST alleged that it has satisfied the requirements of Checklist Item No. 13. The rates for reciprocal compensation have been established in BST's Statement of Generally Available Terms and Conditions ("SGAT") and will be incorporated in BST's Interconnection Agreements.

BST has four disputes pending before this Commission with MFS, MCImetro, Intermedia and e_spire for failure to pay reciprocal compensation for Internet/Information Service Provider ("ISP") traffic. BST's position is that ISP traffic is not "local traffic" but rather is interstate in nature and that calls to the Internet through ISPs that originate on one local carrier's network do not "terminate" on the other local carrier's network so as to require the payment of reciprocal compensation.

Although the Hearing Officer has rendered an initial decision against BST in the MFS proceeding (Docket No. 8196-U), the Commission has not resolved this issue. Furthermore, BST argued that these contractual disputes over ISP traffic have no bearing on whether BST has met the reciprocal compensation requirements of the 1996 Act. It is BST's position that where interconnection facilities have been ordered and implemented, reciprocal compensation arrangements for the transport and termination of local traffic, including intermediary tandem switching, are being carried out in accordance with the requirements of the Act. BST has also agreed to continue terminating traffic pending resolution of any disputes over reciprocal compensation so that end-users are not affected by any carrier disputes regarding payment of compensation.

AT&T asserted BST has been silent on the terms and conditions by which it will provide reciprocal compensation to CLECs. BST has admitted in a 271 proceeding before the Tennessee Regulatory Authority that it presently lacks the capability to provide CLECs detail on terminating usage. As of now, the Company has not proposed any reasonable surrogate for calculating terminating usage. In addition, BST's position has been that CLECs using UNEs were not entitled to reciprocal compensation.

BST also has stated that the traffic of ISPs is not subject to reciprocal compensation, because BST regards such traffic as interstate. This argument is pending before this Commission as well as the FCC. Eighteen state public service commissions have held that ISP traffic should be classified as local traffic and qualify for reciprocal compensation. Thus it is AT&T's opinion that BST is not providing reciprocal compensation in accordance with the requirements of § 252(d)(2) as required by checklist item 13.

CTAG contended that Section 251(b)(5) of the Act required BST to pay terminating compensation for local calls that BST's customers make to a CLEC's customers. Therefore BST has no basis in law or regulatory policy to permit BST to arbitrarily exclude calls that its customers make to ISPs served by CLECs from this obligation. To the contrary, calls to ISPs are indistinguishable from calls to other local business customers that may receive a large number of calls, such as take-out pizza delivery services or taxicab dispatch services.

BST and other incumbent LECs ("ILECs") have disputes pending in various states concerning their obligation to pay compensation for calls their customers make to ISPs. According to CTAG, every state regulator that has addressed this question has concluded that such calls are subject to compensation. The National Association of Regulatory Utility Commissions ("NARUC") has also adopted a resolution affirming that calls to ISPs are subject to the jurisdiction of state regulators and should be treated as such for purposes of reciprocal compensation. Until BST provides compensation for ISP traffic, it has not complied with this portion of the Checklist.

CompTel stated that BST cannot satisfy Checklist Item (xiii) until it makes clear that it will provide reciprocal compensation for ISP traffic and will provide reciprocal compensation to CLECs that choose to use UNEs as a means of providing local exchange service.

CompTel added that, to satisfy Checklist Item 13, BST must provide reciprocal compensation in accordance with Section 252(d)(2). Section 252(d)(2) states that an ILEC must provide reciprocal compensation on terms and conditions that "provide for the mutual and reciprocal recovery by each carrier of costs associated with the transport and termination on each carrier's network facilities of calls that originate on the network facilities of the other carrier." Of the eighteen State commissions that have addressed this issue (as of the date of filing these comments), all have rejected ILECs' attempts to adopt positions similar to BST.

CompTel further contended that BST has refused to provide reciprocal compensation to CLECs that use UNEs. Section 252(d)(2) required that ILECs must provide reciprocal compensation for all "calls that originate on the network facilities of" another carrier. Nowhere in Section 251 or 252 did Congress distinguish between calls transmitted via UNEs versus calls transmitted over other facilities. Indeed, to have exempted CLECs using UNEs from the reciprocal compensation provisions of the Act would have destroyed UNEs as an entry strategy. Moreover, the FCC has concluded that UNEs become part of a competitor's "own facilities" once those UNEs are purchased from an ILEC.

e• spire stated that it is currently involved in an ongoing dispute with BST concerning the payment of reciprocal compensation for ISP traffic. BST's refusal to pay e• spire reciprocal compensation for ISP traffic constitutes a violation of 47 U.S.C. § 251(b)(5) as well as its Interconnection Agreement with e• spire. On May 22, 1998, e• spire's operating subsidiaries in Georgia filed a complaint against BST, designated as Docket No. 9281-U, concerning BST's refusal to honor its reciprocal compensation obligations under state and federal laws and its Interconnection Agreement with e• spire.

BST's refusal to pay reciprocal compensation represents a deliberate attempt to impose hardship on its new entrant competitors. BST's litigious approach to this issue – forcing e• spire to litigate the issue not only in Georgia but in seven other BST states – represents a willful effort by a monopolist to erect a barrier to entry into its local exchange markets in order to maintain its monopoly. Eighteen commissions have decided this issue in favor of the CLECs.

ICG asserted BST is not in compliance with § 271(c)(2)(B)(xiii) because it is withholding payment of reciprocal compensation to CLECs for ISP traffic. Eighteen state commissions have ruled that §§ 251(b)(5) and 252(d)(2) required the payment of reciprocal terminating compensation for such traffic. Indeed BST charges CLECs for the termination of such traffic.

The fact that BST is withholding lawfully due reciprocal compensation payments (while imposing interest on CLEC's late payments of reciprocal compensation) undermines the ability of CLECs effectively to enter the local exchange market. Capital raised for the construction of networks and the installation of switches must be expended on operating activities that would be funded out of cash flow if BST were not withholding payment. This postpones or even defeats the ability of facilities-based CLECs to construct their facilities in order to compete with BST.

ICG argued that the Commission must find that BST is not in compliance with § 271(c)(2)(B)(xiii) because it does not pay the reciprocal compensation required by §§ 251(b)(5) and 252(d)(2), its interconnection agreements, and its Revised SGAT.

Intermedia maintained that BST is obligated to compensate CLECs for ISP traffic under both the 1996 Act and BST's interconnection agreements. Intermedia further stated that BST's revised SGAT does not indicate that reciprocal compensation will be paid to CLECs for transporting and Terminating BST-originated ISP calls. Therefore this checklist item should not be recommended.

MediaOne contended that it is involved in an ongoing dispute with BST concerning reciprocal compensation for traffic to ISPs. BST has continued to deny that ISP calls terminated to ISPs connected to MediaOne systems constitute local traffic and has refused to pay invoices from MediaOne for such reciprocal compensation. The fact that BST has refused to pay MediaOne reciprocal compensation for ISP traffic constitutes a violation of 47 U.S.C. § 251(b)(5) and the reciprocal compensation agreement established between MediaOne and BST. The Commission should hold that BST does not meet this checklist item because of BST's failure to meet its obligations with regard to reciprocal compensation.

MCI contended the Commission ruled in its October 29, 1997 Order that the revised SGAT contains the Commission's

policy and ruling regarding reciprocal compensation for transport and termination of traffic. MCI stated that it disagrees with the Commission's determination and submits that BST should not be permitted to bill CLECs for tandem and local switching functions while CLECs that perform the same functions more efficiently (i.e., using only a local switch) are only permitted to bill for local switching. MCI therefore has requested that the SGAT should be modified to specify the reciprocal compensation must be paid for ISP traffic and the Commission should modify its Order in the Revised SGAT to provide for payment of tandem and local switching functions before this Checklist Item is recommended.

Sprint stated that CLECs are entitled to be compensated for the transport and termination of calls to ISP customers. Reciprocal compensation is an integral component of the Act and this Commission should not approve or recommend this checklist item until such time as BST complies with the Act and pays reciprocal compensation for ISP traffic.

TRA argued that BST has unilaterally taken the position that it is not required to pay reciprocal compensation for calls originated by a BST customer and terminated by a CLEC to an ISP. BST has violated (and continues to violate) the express terms of its interconnection agreements as well as Section 252(d)(2) of the Act by taking such a position. Consequently, BST is not in compliance with this checklist item.

TCG stated that BST has violated Section 252(d)(2) by failing to compensate CLECs for transport and termination of local traffic to ISPs. BST's unilateral action of denying CLECs reciprocal compensation payments violates Section 252(d)(2)(A)(i) of the 1996 Act. As long as BST withholds such reciprocal compensation payments from CLECs, the Commission cannot find BST to be in compliance with this checklist item.

TCG also argued that BST seeks to apply two different rate structures in connection with the termination of TCG's traffic based solely upon the location where the call originates on TCG's network. Thus, BST – and not TCG – is the sole arbiter of whether a call originated by TCG is rated as "local" or "toll" to TCG's customers. As long as BST imposes a geographic limitation on the application of rates for transport and termination, the Commission cannot find BST to be in compliance with this checklist item.

WorldCom stated that the Commission Order in BST's Revised SGAT found that permanent rates were established in Docket No. 7061-U, and thus this portion of the SGAT should take effect. However, the Commission required BST to insert the following provision regarding disputes between the ILEC and the CLECs: "[i]n the event of a dispute ILECs and CLECs shall continue to transport and terminate one another's traffic so that the end users are not affected until such dispute is resolved." (Order of the Commission in Docket No. 7253-U, January 15, 1998, at page 25.) BST has incorporated this language in the Revised SGAT, but still has not satisfied the requirements of this checklist item.

In Docket No. 8196-U, a decision has recently been rendered on ISP traffic in WorldCom/MFS's Complaint against BST. The hearing officer held ISP traffic was local traffic and that BST should compensate WorldCom/MFS for transporting and terminating this traffic. BST has asked the full Commission to review this initial decision, and thus this matter is not resolved, and until it is, BST cannot meet Point 13 of the checklist.

WorldCom argued that BST continues to ignore the interconnection agreement and instead unilaterally makes decisions that detrimentally affect competitors. This is proven by the fact that in the reciprocal compensation complaint, rather than negotiating the matter with WorldCom/MFS, as required by the interconnection agreement, and/or putting the disputed money into an escrow account and requesting a declaratory ruling from the Commission on the dispute, BST unilaterally decided simply not to compensate its competitor. Until BST has compensated WorldCom/MFS for reciprocal compensation it unilaterally withheld, BST has not complied with this portion of the checklist.

Commercial Usage and Compliance

General Description

A reciprocal compensation arrangement between two carriers is one in which each carrier receives compensation from the other carrier for the transport and termination on its network facilities of local traffic that originates on the other carrier's network. This can be accomplished by making payments to each other, by bill-and-keep arrangements, or by some combination of the two.

Each carrier's interconnection agreement addresses reciprocal compensation, thus, it can be seen that uniformity in the interconnection agreements is not required. As the Eighth Circuit has noted already in the context of the Telecommunications Act, it is entirely possible for a state interconnection or access regulation, order, or policy to vary from a specific FCC regulation and yet be consistent with the overarching terms of Section 251 and not substantially prevent the implementation of Section 251. In this circumstance, subsection 251(d)(3) would prevent the FCC from preempting such a state rule, even though it differed from an FCC regulation.

The Eighth Circuit held that the FCC's authority to prescribe and enforce regulations to implement the requirements of Section 251 is confined to the six areas in that section where Congress expressly called for the FCC's participation: subsections 251(b)(2) (number portability), 251(c)(4)(B) (prevention of discriminatory conditions on resale), 251(d)(2) (unbundled network elements), 251(e) (numbering administration), 251(g) (continued enforcement of exchange access), and 251(h)(2) (treatment of comparable carriers as incumbents). Based on these reasons among others, the Eighth Circuit Court of Appeals, "[h]aving concluded that the FCC lacks jurisdiction to issue the pricing rules, [vacated] the FCC's pricing rules." Among the rules that were vacated was 47 C.F.R. § 51.701, entitled "Scope of transport and termination pricing rules." Among the terms which § 51.701 purported to define were "[l]ocal telecommunication traffic", "[t]ermination", and "[r]eciprocal compensation." 47 C.F.R. § 51.701(b), (d) and (e).

However, the Eighth Circuit's opinion went further. In its First Report and Order, the FCC had claimed that its general authority to hear complaints under 47 U.S.C. § 208 empowered it to review interconnection agreements approved by State commissions under the Act and to enforce the terms of such agreements as well as the actual provisions contained in Sections 251 and 252 of the Act. The Eighth Circuit disagreed: The language and design of the Act indicate that the FCC's authority under Section 208 does not enable the Commission to review State commission determinations or to enforce the terms of interconnection agreements under the Act. Instead, subsection 252(e)(6) directly provides for federal district court review of State commission determinations when parties wish to challenge such determinations.

Checklist Item No. 13 requires BST to agree, under Section 251(c)(3), to just and reasonable terms and conditions that provide for mutual and reciprocal recovery by BST and CLECs of the costs associated with transporting and terminating calls that originate on the other carrier's network. The reciprocal compensation rates in BST's SGAT, which will be incorporated in future BST interconnection agreements, are the rates established by the Commission in Docket No. 7061-U. BST's existing agreements also provide for reciprocal compensation. BST also has agreed to continue terminating traffic pending resolution of any disputes over reciprocal compensation so that end-users are not affected by any carrier disputes regarding payment of compensation.

BST provides reciprocal compensation pursuant to interconnection agreements, as well as Section XIII of its SGAT conditionally approved by the Commission's July 22, 1998 Order in Docket No. 7253-U. BST's SGAT filed August 6, 1998 states that:

- A. Mutual and Reciprocal Cost Recovery. BST provides for the mutual and reciprocal recovery of the costs of transporting and terminating local calls on its and CLEC networks. An initial decision has been rendered in Docket No. 8196-U, *Complaint of MFS Intelenet of Georgia v. BellSouth Telecommunications, Inc.*, in which the Commission's Hearing Officer held that calls terminating with internet service providers, where both telephone exchange services bear NPA-NXX designations associated with the same local calling area of the ILEC (hereinafter "ISP traffic") constitute local traffic for which reciprocal compensation should be paid. In the event that initial decision is adopted by the Georgia Public Service Commission, it will apply to the determination of reciprocal compensation that is owed for the transport and termination of local calls between and on BST's network and the networks of CLECs. This section shall be deemed modified to exempt ISP traffic from the payment of reciprocal compensation if the Commission so rules, or if the Commission's decision is stayed, overturned or preempted by a decision of a forum having competent authority in the matter (e.g., a court or the FCC) that exempts ISP traffic from the payment of reciprocal compensation. BST's charges for transport and termination of calls on its network are set out in Attachment A. These rates are cost-based.
- B. Disputes Related to Reciprocal Compensation. If BellSouth and CLECs operating under this Statement and/or an interconnection agreement have any disputes regarding reciprocal compensation for transport and termination of traffic, they will continue to transport and terminate traffic so that end users are not affected until any dispute is resolved.

Cost

The Commission established the rates for reciprocal compensation utilizing a TELRIC methodology in its December 16, 1997 Order in Docket No. 7061-U. The per-minute rate for End Office Switching Function, per MOU is \$0.0016333; and the rate for Tandem Switching Function, per MOU is \$0.0006757. The method in BST's SGAT for applying these rates complies with the Commission's ruling in the MCI Arbitration, Docket No. 6865-U (Second Supplemental Order Applying Arbitration Ruling), as affirmed in Docket No. 7061-U.

OSS

Not applicable.

Performance Measurements

The Commission's Order issued in Docket No. 7892-U adopted comprehensive performance measurements associated with billing requirements. A summary of the relevant measurements adopted, including a definition of them and the actual data reported, are set forth below.

Invoice Accuracy**Report Period: 5/1/98 – 5/31/98**

Definition: This measure provides the percentage accuracy of the billing invoices for a CLEC by dividing the difference between the total billed revenue and total adjustment revenues by the total billed revenues during the current month.

| | Total Billed Revenue (\$) | Total Adjustments (\$) | % Accuracy |
|----------------------|---------------------------|------------------------|------------|
| BST Aggregate | \$1,324,545,906 | \$16,500,282 | 98.75% |
| CLEC Aggregate | | | |
| Resale | \$16,237,707 | \$409,749 | 97.48% |
| UNE (1) | \$32,954 | \$555 | 98.32% |
| Interconnection | \$79,001,198 | \$835,593 | 98.94% |
| Total Billed Revenue | \$95,271,859 | \$1,245,897 | 98.69% |

Invoice Accuracy**Report Period: 6/1/98 – 6/30/98**

| | Total Billed Revenue (\$) | Total Adjustments (\$) | % Accuracy |
|----------------|---------------------------|------------------------|------------|
| BST Aggregate | \$1,213,464,940 | \$18,167,199 | 98.50% |
| CLEC Aggregate | | | |
| Resale | \$14,634,666 | \$67,863 | 99.54% |
| | | | |

| | | | |
|----------------------|--------------|-----------|--------|
| UNE (1) | \$37,078 | \$11,860 | 68.01% |
| Interconnection | \$84,054,755 | \$835,973 | 98.98% |
| Total Billed Revenue | \$98,726,499 | \$935,696 | 99.05% |

Invoice Timeliness

Report Period: 5/1/98 – 5/31/98

Definition: This measure provides the mean interval for billing invoices. CRIS-based invoices should be released for delivery within six (6) workdays, and CABS -based invoices should be released for delivery within eight (8) calendar days

| | % Bills Released by 6 th Workday | % Bills Released within 8 Calendar Days |
|-----------------|---|---|
| BST Aggregate | 78.70% | 100.00% |
| CLEC Aggregate | | |
| Resale | 97.41% | - |
| UNE (1) | 98.85% | - |
| Interconnection | - | 100.00% |

Invoice Timeliness

Report Period: 6/1/98 – 6/30/98

| | % Bills Released by 6 th Workday | % Bills Released within 8 Calendar Days |
|-----------------|---|---|
| BST Aggregate | 100.00% | 100.00% |
| CLEC Aggregate | | |
| Resale | 100.00% | - |
| UNE (1) | 100.00% | - |
| Interconnection | | 100.00% |

Discussion

A reciprocal compensation arrangement between two carriers is one in which each carrier receives compensation from the other carrier for the transport and termination on its network facilities of local traffic that originates on the other carrier's network. This can be accomplished by making payments to each other, by bill-and-keep arrangements, or by a combination of these methods.

BST provides reciprocal compensation pursuant to interconnection agreements, as well as Section XIII of its SGAT conditionally approved by the Commission's July 22, 1998 Order in Docket No. 7253-U. The Commission established the rates for reciprocal compensation utilizing a TELRIC methodology in Docket No. 7061-U. The rate for End Office Switching is 0.0016333 (per MOU) and 0.0006757 for Tandem switching (per MOU). The method in BST's SGAT for applying these rates complies with the Commission's ruling in the MCI Arbitration, Docket No. 6865-U (Second Supplemental Order), as affirmed in Docket No. 7061-U.

BST has four disputes pending before this Commission with MFS, MCImetro, Intermedia and e• spire for failure to pay reciprocal compensation for ISP traffic. BellSouth's position is that ISP traffic that originates on one local carrier's network does not "terminate" on the other local carrier's network so as to require the payment of reciprocal compensation.

CLECs contend that BST has no basis in law or regulatory policy to exclude from the reciprocal compensation obligation the calls that BST customers make to ISPs served by CLECs.

In Docket No. 8196-U, the Commission's Hearing Officer rendered a decision on ISP traffic in the MFS/WorldCom complaint against BST. The hearing officer held ISP traffic was local traffic and that BST should compensate MFS/WorldCom for transporting and terminating this traffic. On BST's request, this case has been heard by the full Commission and is awaiting Commission decision.

As of the issuance of this Report and Opinion, 21 states have rendered decisions on the ISP traffic issue, all determining that local traffic to ISPs served by CLECs is entitled to reciprocal compensation. These include rulings that ISP traffic should be treated as local in jurisdiction, and decisions that contractual provisions require compensation for ISP traffic. The State commissions that have ruled in this fashion include the North Carolina Utilities Commission, the Tennessee Regulatory Authority, and most recently, the Florida Public Service Commission.

The United States District Court for the Western District of Texas Midland-Odessa Division ruled as follows:

The Court will deny Southwestern Bell's request for declaratory and injunctive relief against the Texas PUC. The PUC correctly determined that it had jurisdiction over the telecommunications component of Internet access and the local calls made to ISPs. Furthermore, the PUC correctly interpreted the Southwestern Bell-Time Warner interconnection agreement as unambiguous, and it correctly ordered Southwestern Bell to comply with the agreement's reciprocal compensation terms for termination of local traffic.

The United States District Court Northern District of Illinois Eastern Division has also affirmed the Illinois Commerce Commission's determination that local exchange carriers are entitled to reciprocal compensation under interconnection agreements for Internet calls. This Federal Court reached this result primarily on the basis of construing the underlying contract between the BOC and CLEC.

The Eighth Circuit Court of Appeal discussed this issue briefly in the context of affirming FCC access charge reform orders. The Court noted that ISP traffic may be jurisdictionally mixed, and that the FCC continues to review the issues.

BellSouth's SGAT filed August 6, 1998 states that:

An initial decision has been rendered in Docket No. 8196-U, *Complaint of MFS Intelenet of Georgia v. BellSouth Telecommunications, Inc.*, in which the Commission's Hearing Officer held that calls terminating with internet service providers, where both telephone exchange services bear NPA-NXX designations associated with the same local calling area of the ILEC (hereinafter "ISP traffic") constitute local traffic for which reciprocal compensation should be paid. In the event that initial decision is adopted

by the Georgia Public Service Commission, it will apply to the determination of reciprocal compensation that is owed for the transport and termination of local calls between and on BellSouth's network and the networks of CLECs. This section shall be deemed modified to exempt ISP traffic from the payment of reciprocal compensation if the Commission so rules, or if the Commission's decision is stayed, overturned or preempted by a decision of a forum having competent authority in the matter (*e.g.*, a court or the FCC) that exempts ISP traffic from the payment of reciprocal compensation.

BellSouth has also agreed to continue terminating traffic pending resolution of any disputes over reciprocal compensation so that end-users are not affected by any such disputes. However, it will be necessary for BST to provide documentation which demonstrates that BST is making all required payments and receiving compensation from CLECs in a timely fashion. This documentation may include a summary of carrier access bills (CABs) which specify a billing period, number of access minutes recorded, and the per minute of use rate applied. BST shall also provide a summary of the total amount of reciprocal compensation payments withheld pending final determination of the ISP traffic issue.

The Commission will decide the ISP traffic issue in Docket No. 8196-U and, as necessary, the other dockets in which this issue is raised. For purposes of checklist compliance, BST should show that reciprocal compensation is occurring on a timely and accurate basis.

Recommended Modification

The Commission Staff will defer any determination until the requested information has been provided. BST must demonstrate that it is in compliance with the SGAT and its interconnection agreements by documenting that BST is making all required payments and receiving compensation from CLECs in a timely fashion.

Recommendation

No determination.

Checklist Item 14 (Resale)

Statutory Section

Section 271(c)(2)(B)(xiv) - Telecommunications services available for resale in accordance with the requirements of sections 251 (c)(4) and 252(d)(3).

Essentially this item requires BST to allow CLECs to buy and resell its telecommunications services at a reasonable discount, without discriminatory restrictions. The state commission determines the appropriate discount, and approves appropriate restrictions within the federal guidelines.

Section 251(c)(4)(A) requires incumbent LECs "to offer for resale at wholesale rates any telecommunications service that the carrier provides at retail to subscribers who are not telecommunications carriers." Section 251(c)(4)(B) prohibits "unreasonable or discriminatory conditions or limitations" on resale, with the exception that "a State may, consistent with FCC regulations under this section, prohibit a reseller that obtains at wholesale rates a telecommunications service that is available at retail only to a category of subscribers from offering such service to a different category of subscribers."

Section 252(d)(3) sets forth the basis for determining "wholesale rates" as the "retail rates charged to subscribers for the telecommunications service requested, excluding the portion thereof attributable to any marketing, billing, collection, and other costs that will be avoided by the local exchange carrier."

Positions of Parties

Following are summaries of the positions submitted by interested parties:

BST claimed to have met this checklist item. The specific terms relating to resale of BST services and the wholesale

discount levels for residential and business are consistent with Commission orders.

The FCC's concerns echoed in the South Carolina Order regarding BST's failure to provide CLECs with access to Contract Service Arrangements ("CSAs") at the wholesale discount, and that termination liabilities may restrict the resale of CSAs have been remedied. BST has made CSAs available for resale at the wholesale discount and made clear that termination charges will not be assessed when a reseller assumes the CSA on behalf of its end user.

BST added that the almost ten-fold growth in the number of resold services in the past nine months and the performance measurements information filed confirmed BST has met this checklist item. For example, the residence trouble report rate for February through April 1998 was 3.4% for CLECs as well as BST; for the same period for business it was 1.9% for CLECs compared to 1.6% for BST. For repair service BST made residential repair appointments 90.8% of the time for CLECs with 86.8% for BST, for the same period for business it was 80.7% for CLECs with 81.3% for BST. In addition, individual CLECs have achieved unadjusted flow-through rates of nearly 90%, clearly demonstrating the capabilities of BST's OSS systems when correct orders are submitted by CLECs.

AT&T alleged that BST does not meet this item because it does not provide nondiscriminatory access to OSS functions supporting resale. BST has not corrected all pre-ordering and provisioning deficiencies that the FCC found in BST's two previous 271 Applications, nor have they implemented the Commission's recent OSS order.

For pre-ordering BST is deficient because neither LENS nor EC-Lite provides CLECs access to equivalent functionalities available to BST's retail unit through RNS and SONGS. Second, BST has not provided any evidence whether LENS-CGI and EDI-PC are capable of providing integration that is as quick and efficient as the integration BST provides itself.

BST does not provide provisioning notices electronically on a timely basis. For instance, BST provided electronic reject/error notices for only 12.5% of EDI/LENS orders that did not automatically flow through BST's OSS in April of 1998. For EDI orders in Georgia, BST returned firm order commitments within a 24-hour period 62.17% of the time during April of 1998. In rejecting BST's Application for Louisiana and South Carolina, the FCC found BST did not provide comparative data regarding the speed at which BST provides itself with FOCs and the average interval when BST first receives an order to notice of completion. BST has not provided this data. Without this data the Commission should not determine that BST is providing nondiscriminatory access.

CompTel asserted that BST has failed to meet the resale checklist because it has not yet satisfied its obligations to provide OSS for resale on a nondiscriminatory basis. Following are reasons this item should be rejected: 1) BST does not provide competitors with the ability to order electronically the same services as it does; 2) BST's OSS do not provide equivalent flow-through for CLEC orders; 3) BST does not provide CLECs with electronic order rejection or completion notices; 4) BST does not provide competitors with the same pre-ordering functionalities that BST uses; 5) BST does not enable competitors to integrate pre-ordering and ordering functions with the speed and efficiency of the integration BST provides itself; 6) BST does not provide provisioning notices on a timely basis; 7) BST does not provide competitors with nondiscriminatory access to customer usage data and billing functionalities; and 8) BST does not provide competitors with a complete and functional list of USOCs.

e-spire stated, " Because of BST's recent change of position concerning the restrictions on resale of CSAs, e-spire has not yet had any opportunity to resell CSAs." It remains to be seen how fluid the process will be. Also, BST refuses to provide timely due date jeopardy, firm order confirmation, cutover, and win-back notices. Until BST improves its provisioning processes for fax and phone, as well as more advanced systems, it does not meet this checklist item.

Globe and Knology claimed that currently available resale discount rates are ineffective because the pricing structure ignores the fact that revenues are generated in the form of carrier access charges, which BST receives 100% on the resold line.

ITC^DeltaCom urged the Commission to reject BST's application because BST has not demonstrated that its OSS interfaces offer CLECs the same access to 1) pre-ordering, 2) ordering, 3) provisioning, 4) maintenance and repair, and 5) billing as BST provides itself. For instance, BST fails to provide FOCs within 24 hours 40% of the time and ITC completes resale as-is orders and continues to experience severe delays.

KMC argued that BST has not incorporated a "change order" process as part of the conversion already being processed. KMC must place the change order in a "holding pattern" while BST continues to process the customer's conversion to KMC. As a result, the customer does not get the features as part of the new service. Second, BST has failed to notify KMC adequately of order status. KMC has been told that it cannot check status of an order until 48 hours after due date. For instance, one order by KMC received a due date of April 24, 1998. BST's systems postponed the due date to April 30, 1998 and no notice was sent stating why the date was changed.

The Commission should deny the application until BST has demonstrated that its OSS interfaces provide competitors with the ability to provide resold service via UNEs in a manner equivalent to how BST serves its own customers.

LCI alleged BST has failed to provide CLECs with non-discriminatory access to functions of OSS necessary for CLECs to effectively compete against BST in the local market. Since BST has not yet established its conformance with all of the recommendations contained in the OSS report matrix in Docket No. 8354-U, the Commission's determination of whether they meet this checklist item would be premature. For instance, API has not yet been implemented, USOCs are not in a usable format, LCI does not receive FOCs for many of its orders, LCI has not been receiving jeopardy notices, and BST has yet to provide CLECs with usage data for flat-rated calls.

MCI argued BST must provide nondiscriminatory access to OSS and provide a satisfactory system of performance measurements and standards to comply with this checklist item. The Commission's Order in Docket No. 8354-U lists the following areas where BST is providing disparate treatment: 1) BST does not provide an ordering interface comparable to its own; 2) CSRs are stripped of information; 3) Availability of reserving up to six numbers through LENS, while BST can reserve twenty-five; 4) Failure to provide same due date calculation BST provides itself; 5) Failure to provide equivalent access to RSAG; 6) BST imposes a 50 page limit on CSRs; 7) Failure to provide FOCs in same manner BST provides itself; 8) Failure to permit CLECs to submit orders for most complex services; 9) Failure to provide sufficient USOC information; 10) Failure to provide access to pending orders; 11) Failure to provide NXX information to CLECs in the same manner as BST does itself; and 12) Failure to provide service jeopardies. The Commission has directed BST to remedy many of these deficiencies and has directed CLECs and BST to submit monthly progress reports on the implementation of the order.

The Commission took important steps toward requiring BST to provide the performance data to evaluate nondiscriminatory access to OSS in its performance standards of Docket No. 7892-U. MCI listed the following as additional steps to accurately evaluate whether parity is being achieved: a) comply with express performance standards; b) provide performance measurement data that is disaggregated by product, order activity and geography; c) provide additional performance measurements, including measures on emergency services and network performance; d) provide a statistical model for assessing parity; and e) be accountable for its conduct via enforcement mechanisms that ensure BST will continue to provide parity of service. Without this data BST has not met this checklist item.

Sprint urged the Commission to order BST to add into its performance measurements several measurement categories recommended in the Local Competition Users Group ("LCUG") Service Quality Measurement ("SQM") document which Sprint believes are crucial to ensuring BST's compliance with the Act. Additionally, Sprint stated that the appropriate granularity for performance measurements is on a geographically deaveraged basis. Individual service measurements are much more meaningful to an assessment of parity than performance measurements, which group data by customer categories. CLECs should have the right to audit certain components of performance measurement reports submitted by BST.

TRA claimed BST fails to meet this checklist item for the following reasons: a) BST unlawfully prohibits the aggregation of traffic in violation of Section 251(c)(4); b) the Commission Order in Docket No. 6352-U, May 29, 1996 requires that "levels shall remain in effect for 12 months. At the end of this period the Commission shall conduct a review to determine if the need exists to modify these initial discount levels." Until the Commission makes the final review of the resale discount levels, competitors cannot make long-term business plans to provide resale services; c) BST has not complied with the Commission's performance measurements in Docket No. 7892-U; and d) BST's OSS systems have not been sufficiently implemented.

WorldCom stated that, "until the Commission has actual hard data demonstrating BST's consistent performance under the OSS and performance standards provisions in Docket Nos. 8354-U and 7892-U respectively, the Commission should find that BST has not satisfied the requirements of this checklist item."

Commercial Usage and Compliance

The Commission ordered in Docket No. 6352-U that BST make available for resale, at a discount, all retail services sold to non-telecommunication providers (with certain limited exceptions, as described later under the subsection "Restrictions").

General Description

BST stated that its top 50 retail services are:

1. Accupulse
2. Area Plus
3. Basic Rate ISDN
4. Primary Rate ISDN
5. Call Waiting
6. Call Waiting Deluxe
7. Caller ID Deluxe
8. Caller ID Enhanced
9. Centrex/ESSX
10. 3-way Calling
11. Call Forwarding Variable
12. Remote Access to Call Forwarding
13. Speed Calling 8 & 30
14. DID
15. E911 SALI
16. Enhanced Caller ID/Multiline CID Deluxe/Enhanced CID ACR
17. Flat Rate PBX Trunks
18. Flat Rate Residence
19. Flat Rate/Basic Local Exchange
20. FlexServ
21. Frame Relay & CDS
22. Georgia Community Calling

23. Hunting
24. Independent Payphone Provider
25. Integrated Packages
26. Lightgate
27. Measured Rate Business
28. Measured Rate Residence
29. Megalink
30. Megalink ISDN
31. Memory Call Service
32. Message Telephone Service(MTS)
33. Measured Rate PBX Trunks
34. MultiServ
35. Native Mode LAN Interconnection
36. Off Premise Extensions
37. Optional Calling Plan
38. Remote Call Forwarding
39. Ringmaster
40. Smartpath
41. Smartring
42. Synchronet
43. Touchstar/Call Block
44. Touchstar/Call Return
45. Touchstar/Call Selector
46. Touchstar/Call Tracing
47. Touchstar/Preferred Call Forwarding
48. Touchstar/Repeat Dialing
49. Touchtone

50. Visual Director

BST has developed technical service descriptions, ordering, provisioning and maintenance procedures, and has performed tests for 50 of its top retail services to ensure resale availability to CLECs (Docket No. 7253-U; Binders 14-1 through 14-50). As of February 1, 1998, CLECs were reselling 247,239 of BST's top 50 retail services in Georgia. The Commission's Local Service Indicator Report lists over 44,000 customers being provided service over resold facilities as of July 31, 1998.

Contract Service Arrangements ("CSAs")

The FCC stated, "In its BST South Carolina Order, this Commission determined that BST failed to comply with checklist item (xiv) by, *inter alia*, refusing to offer CSAs at a wholesale discount." Additionally, regarding termination fees the FCC stated that, "We would want to review such fees and request that the BOC provide information justifying the level of cancellation or transfer fees in future application."

On April 28, 1998 BST filed an amendment to Sections XIV.B and XIV.C (pp. 22 and 23) of the Revised SGAT that allows CSAs to be resold at the wholesale discounts at the same terms and conditions to BST end users. In addition, Section XIV.C.4 of the Revised SGAT clarified that termination charges associated with CSAs will not be assessed when a CLEC assumes the CSA on behalf of the end user.

Restrictions

The FCC in 47 C.F.R. §51.613(a) lists the following restrictions on resale that may be imposed: 1) Cross-class selling and 2) Short-term promotions. Also, §51.613(b) states, "With 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."

In BST's Revised SGAT filed in Docket No. 7253-U on March 27, 1998, the Commission approved the resale restrictions and exclusions and found them to be reasonable and nondiscriminatory, as originally approved in Docket No. 6352-U and upheld in Docket Nos. 6865-U (MCI-BST Arbitration) and 6801-U (AT&T-BST Arbitration). These consist of the following: 1) Joint Marketing; 2) Class of Service; 3) Aggregation; 4) Service Area; 5) Tariff Service Limitation; 6) Privacy; 7) Common Blocks of Equipment or Facilities; 8) Federal Subscriber Line Charge; 9) Interconnection of Mobile Services; 10) Pass-through charges; 11) Taxes; and 12) Short-term Promotions (90 days or less).

Cost

Wholesale Prices

The federal Act provides that State commissions shall set wholesale prices for telecommunications services on the basis of retail rates charged to subscribers for the telecommunications services requested, excluding the portion thereof attributable to any costs that will be avoided by the LEC. (Section 252(d)(3)). The Commission found in Docket No. 6352-U that the federal Act's standard was the appropriate method to determine avoided cost. This decision was appealed to the Superior Court of Fulton County, in civil case number E-49835. The Superior Court affirmed the Commission's decision in an Order dated October 8, 1996. The Commission further found that a separate discount of 20.3% for residence and 17.3% for business should apply equally to all services in the BST resale tariff. The Commission set the wholesale discounts pursuant to Section 252(d)(3) for resale of BST's residential and business local exchange services in Docket No. 6352-U. The Revised SGAT conforms to the Commission's Orders in that docket.

The Commission recognizes that it stated in that docket that it would conduct a review of the discounts following twelve months of implementation. However, that review and the length of time are not mandatory upon the Commission. It was appropriate to provide for a minimum period of twelve months before any review and potential revision of the discounts. If it appears to the Commission that there is a need for review and potential revision, the Commission will undertake such proceedings. Until such time, the wholesale discounts continue to apply at the levels decided in Docket No. 6352-U, and in any event are not subject to true-up, so these discounts cannot be considered as merely interim.

OSS

Order Rejection

The FCC had particular concerns over the lack of flow-through of CLEC orders due to rejection. The FCC commented, " When orders do not flow through the BST's ordering and provisioning systems, they are rejected and sent to one of BST's LCSC for manual processing. It is virtually impossible for orders that are processed manually to be completed in the same amount of time as orders that flow through electronically. Therefore, it is difficult for equivalent access to exist when BST processes a significant number of competing carriers' orders manually." Additionally, the FCC found that BST does not electronically notify CLECs that an order has been rejected and provide the cause for rejection. In regard to the lack of electronic reject notices the FCC stated, "The on-line edits in BST's own systems instantaneously advise BST representatives of any errors and prevent them from releasing orders until the errors have been corrected. This lack of prompt notification of order rejections aggravates the disparity between order flow through rates."

BST contends CLEC orders are not flowing through the system because of CLEC errors. The FCC refuted this statement by saying, "The record does not support BST's claim that the low flow-through rates are caused primarily by new entrants making mistakes on the orders they submit. We rejected this claim in the BST South Carolina Order because the record did not support these claims. Specifically, we could not determine how many of the errors assigned by BST to the actions of competing carriers resulted from BST's failure to provide information, such as business rules, concerning how BST internal systems work."

The Commission Order issued in Docket No. 8354-U required BST to design and implement electronic notification of rejects for LENS and EDI orders. EDI orders without the required fields are rejected after being checked by the EDI translator. CLECs using LENS receive electronic notification of errors that prevent LENS from releasing the order to LEO. These notifications allow CLECs to recognize and correct any errors in their orders and resubmit them. The rejects program was delivered to CLECs at a conference on October 30-31, 1997 and by mail on January 30, 1998. Additionally, the reject documentation is attached as Exhibit WNS 2C to Stacy Direct Testimony in Docket No. 8354-U filed February 20, 1998. In addition, API when fully implemented will serve as another program that will provide assistance to CLECs for pre-ordering (to include error rejection notices) and ordering.

The FCC cited BST's failure to provide order status notices to CLECs as a deficiency in BST's provision of OSS. Specifically the FCC stated, "In the BST South Carolina Order, we found that BST failed to provide order error and rejection notices, firm order commitment notices (FOCs), and order jeopardy notices." The FCC further stated, "Because BST has not provided the Commission with information on how long it takes its own representatives to receive notices of errors, we cannot determine whether BST is providing order rejection notices to competing carriers at parity to that which it provides itself." The Commission in Docket No. 7892-U ordered BST to file a performance measure that captures Reject Timeliness. The Reject Timeliness interval is the average reject time from receipt of a service order to distribution of a reject notice. There is no BST analogue for reject timeliness because orders placed by BST retail representatives are automatically edited. The Commission thus considers that the time interval for BST to obtain reject notices is negligible. The FCC stated, "However, there is evidence that BST's retail operations, depending on where the error occurs in its systems, receive the equivalent of an error notice between a few seconds to thirty minutes after entering an order."

BST filed reject distribution reports for the period April through June 1998. This data shows the following:

Reject Distribution Average Interval

(Days)

Definition: Measures the average reject time from receipt of service order request to distribution of a rejection.

April May June

| | | | |
|--------------|--|--|--|
| Average Days | | | |
| | | | |

| | | | |
|----------------|------|------|------|
| CLEC Residence | 2.25 | 1.67 | 1.33 |
| CLEC Business | 2.71 | 1.98 | 1.96 |

Analysis of the data shows that the average interval for reject notification has declined approximately one day for the reporting period. This improvement in reject intervals is directly attributable to BST's provision of the electronic reject notice.

OSS Ordering Functions – Order Jeopardy Notices

Order jeopardy notices inform the competing carrier that BST will not be able to complete the installation on or before the scheduled due date. Regarding jeopardy notices, the FCC stated that, "the record indicates that BST fails to notify carriers promptly when the due date cannot be met due to delays caused by BST."

The Commission in Docket No. 8354-U ordered BST to provide CLECs with timely jeopardy notices. BST reported, "Notification of service jeopardies is provided electronically for all LENS orders simply by the CLEC checking the status of the order. This includes service jeopardies caused by BST or the end user, including lack of facilities, workload, customer-missed appointments, BST missed appointments, etc. All EDI users are notified of service jeopardies by fax from the LCSC in substantially the same time and manner as BST's retail unit. BST continues to notify EDI users of end user caused jeopardies electronically. Competitive disconnects for resold services are furnished electronically upon request by CLEC. Currently AT&T and MCI are receiving competitive disconnects electronically. All other CLECs receive this data manually."

Additionally, on August 6, 1998, BST filed performance measurements in Docket No. 7892-U, covering the months of May and June, 1998. BST filed an additional measure not required by this Commission pertaining to the provision of timely jeopardy notices. This data was filed in response to CLEC concerns. (The data for June 1998 showed that 0.15% and 0.08% of resale residential and business orders respectively went into jeopardy.)

Jeopardy Interval

(Hours)

Definition: Measures the advance notice of jeopardy prior to the due date.

| CLEC | May | June |
|------------------|-------|--------|
| Resale Residence | 68.59 | 55.28 |
| Resale Business | 48.11 | 172.63 |

A summary of the reported results reflects that on average, BST provided to CLECs 3½ day advance notice of potentially missed due dates. During this time interval the CLECs have adequate opportunity to provide notice to their end users of any potential delays in service installation.

OSS Pre-Ordering Functions

Pre-ordering includes the activity a CLEC would take to gather and confirm information necessary to formulate an accurate order. BST currently provides the LENS interface as its nondiscriminatory access to the pre-ordering function. In the Louisiana Order the FCC went into greater detail why it concluded that BST was not providing nondiscriminatory access for resale services. For pre-ordering functions, the FCC listed lack of equivalent access, and lack of general access to due dates. The FCC concluded that, "BST did not offer nondiscriminatory access to pre-ordering OSS functions, because: 1) competing carriers cannot readily connect LENS electronically to their OSS interfaces and to EDI ordering interface, and 2) BST did not provide equivalent access to due dates for service."

The Commission ordered BST to provide Uniform Service Order Codes ("USOC") and Regional Street Access Guide ("RSAG") information in Docket No. 8354-U. CLECs have had access to USOC data through the Local Exchange Service Ordering Guide ("LESOG") since April 1997, and USOC data is also available on the BST website. A copy of the USOC/Field Identifiers ("FID") information is attached to BST witness Mr. Stacy's rebuttal testimony in Docket No. 8354-U, Exhibit 2, filed March 6, 1998. Additionally, CLECs have access to RSAG data via the LENS interface, and BST was ordered by the Commission in Docket No. 8354-U to provide a download of the RSAG database. CLECs have experienced an increase in the percent of order flow through as a result of having access to this information.

Performance Measurements

Firm Order Commitment ("FOC") Notices

Timely return of a FOC notice is critical because it provides the competing carrier with the status of its order by 1) confirming that the order has been accepted and 2) providing due date for installation. The FCC concluded that, "because BST has not provided any data that compares its delivery of FOC notices to competing carriers to delivery of equivalent notices to its own retail operations for its own orders, BST has failed to demonstrate that it is providing nondiscriminatory access."

The Commission in Docket No. 7892-U ordered BST to measure FOC Timeliness. FOC Timeliness is defined as the measure of the time it takes for BST to confirm a syntactically correct order. FOC Timeliness is disaggregated to measure Mechanized Local Service Requests ("LSRs") with no errors, Mechanized LSRs with errors, and Non Mechanized LSRs. BST states that they do not measure this time interval for themselves. The FCC has indicated in its Order addressing BST's initial Louisiana Filing and in its Notice of Proposed Rulemaking ("NPRM") regarding Performance Measurements that BOCs should provide retail FOC intervals. The Commission established a FOC time interval of 24 hours for both electronic and manual order processes in its Sprint Arbitration decision.

The Commission Order issued in Docket No. 7892-U adopted comprehensive performance measurements associated with BST's OSS. A summary of data reported for FOC Timeliness, including a definition, is contained below:

Firm Order Confirmation Timeliness

Mechanized LSRs with No Errors

(Hours)

Definition: Measures the average response time from receipt of a valid service order request to distribution of an order confirmation.

(Hours) April May June

| | | | |
|-----------------------|------|------|------|
| CLEC Resale Residence | 5.52 | 4.56 | 1.4 |
| CLEC Resale Business | 10.8 | 9.12 | 1.92 |

A review of the data reported demonstrates that BST is consistently providing CLECs with a FOC time interval less than the Commission-established benchmark.

BST performance data reported for April 1 through 30, 1998, included a CLEC error analysis and tracked CLEC errors by category. The analysis showed three primary categories of errors related to RSAG, FID and USOC. These three categories amounted to 60% of the total CLEC errors.

The Commission ordered BST to provide USOC codes and RSAG information to new entrants in Docket No. 8354-U. CLECs have had access to USOC data through the Local Exchange Service Ordering Guide ("LESOG") since April 1997. USOC data is also available on the BST website. A copy of the USOC/FID information is attached to BST

witness Mr. Stacy's rebuttal testimony. Additionally, CLECs have access to RSAG data via the LENS interface. BST was ordered by the Commission in Docket No. 8354-U to provide CLECs with a download of the RSAG database. CLECs have experienced an increase in the percent of order flow through as a result of having access to this information.

BST filed Percent Flow-Through Service Reports for the period April through June, 1998. This data reflects the following:

Percent Flow-Through Report

(Percentage)

Definition: Number of orders electronically processed through the gateway and accepted into the ILEC Legacy System without manual intervention.

April May June

| | | | |
|---------------------------------|--------|--------|--------|
| CLEC (Adjusted for CLEC errors) | 84.6% | 86.38% | 87.08% |
| BST Retail Residence | 96.0% | 96.4% | 95.6% |
| BST Retail Business | 82.82% | 82.51% | 80.69% |

The results indicate that for the reporting period the adjusted flow through rate for CLECs on average was 86%. In contrast BST retail residence experienced on average 96% flow through rate. The disparity in flow through percentages shows the need to supply additional error analysis reports.

Ordering Functions – Performance Measurements – Average Installation Intervals

Two important measurements adopted by the Commission to ensure that BST is providing CLECs with timely ordering and provisioning capabilities for resale are the Order Completion Interval and Missed Installation Appointments. These measurements allow a CLEC to accurately quote installation dates to their customers and ensure that CLEC customers are provided service within the same time frame BST provides services to its end users.

The Total Average Installation Interval includes the FOC time added to the Order Completion Interval. There are no comparative BST measures for FOC. BST does not provide a FOC to itself. Therefore, no retail analogue exists for the Total Average Installation Interval.

Similarly, the FCC noted the importance of measuring Average Installation Intervals. The FCC stated that, "Without data on average installation intervals comparing a BOC's retail performance with the performance provided to competing carriers, the Commission is unable to conclude that a BOC is providing nondiscriminatory access to OSS functions for the ordering and provisioning of resale." The FCC further stated, "We find here, as in our BST South Carolina Order, that a far more meaningful measure of parity is one that measures the interval from when BST first receives an order to when service is installed." Finally on the intervals the FCC concluded, "We expect BST to provide such a measure in a future applications."

BST filed separate data for FOC and Order Completion Intervals. The combined results, which represent the Total Average Installation Interval, are shown below:

Average Order Completion Interval

Mechanized Orders with No Errors

(Days)

March 1998

63% of total orders

FOC Install Total

| | | | |
|-------------------------------------|-----|------|------|
| CLEC Resale Residence (Dispatch) | .09 | 7.65 | 7.74 |
| BST Retail Residence (Dispatch) | N/A | 8.95 | 8.95 |
| CLEC Resale Residence (No Dispatch) | .09 | 2.01 | 2.10 |
| BST Retail Residence (No Dispatch) | N/A | .71 | .71 |

FOC Install Total

| | | | |
|------------------------------------|-----|-------|-------|
| CLEC Resale Business (Dispatch) | .44 | 7.23 | 7.67 |
| BST Retail Business (Dispatch) | N/A | 10.65 | 10.65 |
| CLEC Resale Business (No Dispatch) | .44 | 1.70 | 2.14 |
| BST Retail Business (No Dispatch) | N/A | .68 | .68 |

April 1998

58.9% of total orders

FOC Install Total

| | | | |
|-------------------------------------|-----|------|------|
| CLEC Resale Residence (Dispatch) | .23 | 6.74 | 6.97 |
| BST Retail Residence (Dispatch) | N/A | 8.46 | 8.46 |
| CLEC Resale Residence (No Dispatch) | .23 | 1.52 | 1.75 |
| BST Retail Residence (No Dispatch) | N/A | .70 | .70 |

FOC Install Total

| | | | |
|------------------------------------|-----|------|------|
| CLEC Resale Business (Dispatch) | .45 | 8.44 | 8.89 |
| BST Retail Business (Dispatch) | N/A | 9.52 | 9.52 |
| CLEC Resale Business (No Dispatch) | .45 | 1.30 | 1.75 |
| BST Retail Business (No Dispatch) | N/A | .76 | .76 |

May 1998

65% of total orders

FOC Install Total

| | | | |
|-------------------------------------|-----|------|------|
| CLEC Resale Residence (Dispatch) | .19 | 6.22 | 6.41 |
| BST Retail Residence (Dispatch) | N/A | 8.49 | 8.49 |
| CLEC Resale Residence (No Dispatch) | .19 | 1.58 | 1.77 |
| BST Retail Residence (No Dispatch) | N/A | .83 | .83 |

FOC Install Total

| | | | |
|------------------------------------|-----|------|------|
| CLEC Resale Business (Dispatch) | .38 | 5.81 | 6.19 |
| BST Retail Business (Dispatch) | N/A | 9.7 | 9.7 |
| CLEC Resale Business (No Dispatch) | .38 | 1.37 | 1.75 |
| BST Retail Business (No Dispatch) | N/A | .91 | .91 |

June 1998

65.7% of total orders

FOC Install Total

| | | | |
|-------------------------------------|-----|------|------|
| CLEC Resale Residence (Dispatch) | .06 | 6.24 | 6.30 |
| BST Retail Residence (Dispatch) | N/A | 8.40 | 8.40 |
| CLEC Resale Residence (No Dispatch) | .06 | 1.15 | 1.21 |
| BST Retail Residence (No Dispatch) | N/A | .85 | .85 |

FOC Install Total

| | | | |
|------------------------------------|-----|------|------|
| CLEC Resale Business (Dispatch) | .08 | 7.5 | 7.58 |
| BST Retail Business (Dispatch) | N/A | 9.23 | 9.23 |
| CLEC Resale Business (No Dispatch) | .08 | 1.22 | 1.30 |
| BST Retail Business (No Dispatch) | N/A | .99 | .99 |

Percent Missed Installation Appointments

(Percentage)

Definition: Measures the percentage of orders where completions are not done by the due date.

April 1998 Dispatch No Dispatch

<10 ckts. < 10 ckts.

| | | |
|-----------------------|-------|-----|
| CLEC Resale Residence | 13.8% | .5% |
| CLEC Resale Business | 7.1% | .6% |
| BST Retail Residence | 10.5% | 0% |
| BST Retail Business | 7.4% | .5% |

May 1998 Dispatch No Dispatch

<10 ckts. < 10 ckts.

| | | |
|-----------------------|-------|------|
| CLEC Resale Residence | 11.3% | .6% |
| CLEC Resale Business | 5.4% | 2.3% |
| BST Retail Residence | 9.7% | 0% |
| BST Retail Business | 7.2% | .4% |

June 1998 Dispatch No Dispatch

<10 ckts. < 10 ckts.

| | | |
|-----------------------|-------|------|
| CLEC Resale Residence | 13.6% | .2% |
| CLEC Resale Business | 7.7% | 1.5% |
| BST Retail Residence | 11.3% | 0% |
| BST Retail Business | 9% | .4% |

A summary of the data shows that the Total Average Installation Interval is generally improving. Specifically for CLEC residential resale (no dispatch) the average order completion interval was reduced by approximately one day. In addition, a review of BST's performance regarding missed appointments reflects that BST completed CLEC installations by the ordered due date approximately 99.5% of the time.

Discussion

The Commission ruled in Docket No. 6352-U that all BST existing retail services sold to non-telecommunication providers, with certain restrictions, shall be made available for resale.

In Docket No. 7253-U, ruling on BST's Revised SGAT filed March 27, 1998, the Commission again approved the resale restrictions and found them to be reasonable and nondiscriminatory as found in Docket No. 6352-U and upheld in Docket Nos. 6865-U (MCI-BST Arbitration) and 6801-U (AT&T-BST Arbitration). These restrictions consist of the following: 1) Joint Marketing; 2) Class of Service; 3) Aggregation; 4) Service Area; 5) Tariff Service Limitation; 6)

Privacy; 7) Common Blocks of Equipment or Facilities; 8) Federal Subscriber Line Charge; 9) Interconnection of Mobile Services; 10) Pass-through charges; 11) Taxes; and 12) Short-term Promotions (90 days or less). Additionally, BST filed amendments to Sections XIV.B, XIV.C (pps. 22 and 23) and XIV.C.4 of the SGAT that allow CSAs to be resold at the wholesale discount at the same terms and conditions to BST end users with no termination charges when the CLEC assumes the CSA on the end user's behalf. These amendments were also approved in Docket No. 7253-U.

BST has developed technical service descriptions, ordering, provisioning and maintenance procedures, and has performed tests for 50 of its top retail services to ensure resale availability to CLECs (Docket No. 7253-U; Binders 14-1 through 14-50). As of February 1, 1998, CLECs were reselling 247,239 of BST's top 50 retail services in Georgia. The Commission's Local Service Indicator Data Report lists over 44,000 customers being provided service over resold facilities as of July 31, 1998.

The federal Act states that a resale discount should reflect the:

"[r]etail rates charged to subscribers for the telecommunications service requested, excluding the portion thereof attributable to any marketing, billing, collection, and any other costs that will be avoided by the local exchange carrier." (Section 252(d)(3)).

The Commission found this standard to be appropriate in calculating the wholesale discount and used this methodology to compute separate discounts of 20.3% for residential and 17.3% for business.

BST has continued to improve its performance relative to the provision of its Operations Support Systems. Many of the system enhancements ordered by the Commission in Docket No. 8354-U have been implemented by BST. API when fully implemented by December 1998, along with LENS and EDI, will serve as programs available to CLECs for integrating BST's OSS with those of the CLEC for pre-ordering (to include error rejection notices) and ordering. A review of relevant performance measurements filed in Docket No. 7892-U indicates that implementation of these system enhancements have produced and will continue to produce improved operating results. However, BST should show three months of consistently good performance in order to demonstrate compliance with this checklist item. Therefore, it will be necessary for BST to provide the following detailed information:

1. A summary of all pertinent performance data for the months of July, August, and September, 1998 (including an error analysis for BST and CLECs) in compliance with the Commission's Order issued in Docket No. 7892-U. BST shall provide any further explanation of the data as it may deem necessary.
2. The number of units provisioned for each of the top 50 resale items for the months of July, August, and September, 1998. For those items of which there has been no commercial usage, BST shall provide information which affirms that these items have been tested either internally or through a third-party and can be ordered electronically utilizing BST's OSS.

Recommended Modification

BST has continued to improve its performance relative to the provision of its Operations Support Systems. Many of the system enhancements ordered by the Commission in Docket No. 8354-U have been implemented by BST. A review of relevant performance measurements filed in Docket No. 7892-U indicates that these system enhancements have produced improved operating results. In order for CLECs to have a meaningful opportunity to compete and ensure that the ordering, provisioning, and maintenance functions are provided in a timely, efficient and consistent manner, BST must provide all pertinent performance data for the months of July, August, and September 1998. In addition, BST must provide the number of units provisioned for each of the top 50 resale items for the months of July, August, and September 1998. For those items of which there has been no commercial usage, BST must provide information which affirms that these items have been tested either internally or through a third party and can be ordered electronically utilizing BST's OSS. Upon receipt and review of this subsequent information, the Commission Staff will be able to determine whether BST has met this competitive checklist item.

Recommendation

Not recommend.

SUMMARY OF SECTION 271 RELATED DOCKETS

The Docket Map Index has been included in this document to provide a readily accessible list of the Dockets that directly and indirectly relate to BST's compliance with the 14-Point Checklist as required by the Act. This is only a brief summary of the proceedings in these Dockets. For a more detailed explanation, please refer to the Docket itself.

| DOCKET NO. | DESCRIPTION |
|-------------------|--|
| 5777-U | <p>Filing Requirements for Notification of Alternative Regulation</p> <p>This docket established guidelines for local exchange companies holding Certificates of Authority prior to 7/1/95, which elected to be alternatively regulated under the Georgia Telecommunications Competition and Development Act of 1995, O.C.G.A. §§ 46-5-160 <u>et seq.</u> There were 35 Local Exchange Companies certificated prior to July 1, 1995, of which 19 have elected Alternative Regulation.</p> <p>Order Issued On 5/16/95</p> |
| 5778-U | <p>Filing Requirements for New Telecommunications Certificates of Authority</p> <p>This docket established guidelines for applicants filing for new Certificates of Authority to provide competing local service. The Commission issued a Supplemental Order on October 24, 1996, clarifying the procedures for interim status of these certificates and the reports to be filed for review prior to granting permanent CLEC certificates. 144 CLEC applications have been filed; 56 with tariffs have been approved; 10 have been approved with tariffs pending; 80 are in the review and hearing process; 11 have been withdrawn; 3 have been denied; and 1 previously approved has been cancelled.</p> <p>The Commission subsequently issued an Order directing CLECs to file monthly information in response to the Commission Staff's Local Service Indicators Data Requests, regarding the number of customers and usage of BST's unbundled network elements and resold services.</p> <p>Order Issued On 5/16/95; Supplemental Order Issued On 10/24/96</p> |
| 5840-U | <p>Number Portability</p> <p>This docket established the framework for the implementation and administration of portability of local telephone numbers. The Commission selected Location Routing Number (LRN) as the permanent long-term solution. The Commission issued a Procedural & Scheduling Order on the issue of cost recovery on August 12, 1996. At the request of the parties, the hearing has been indefinitely continued. The Industry Steering Committee established by the Commission continues to meet and files a monthly status report detailing its activities.</p> <p>Order Issued On 2/29/96</p> |
| 6352-U | <p>Petition of AT&T for the Commission to Establish Resale Rules, Rates,</p> |

| | |
|--------------------------------|--|
| | <p>Terms and Conditions and the Initial Unbundling of Services</p> <p>AT&T's petition specifically requested that the Commission (1) establish resale rules, (2) establish the rates, terms and conditions for resale as authorized by the Georgia Act, including the appropriate wholesale rates and the guidelines for operational interfaces, (3) require the initial unbundling of operator services, directory assistance and appropriate routing of repair calls, and (4) adopt the Total Wholesale Service tariff for providing wholesale services to resellers as proposed by AT&T.</p> <p>The Commission established the wholesale discounts to apply to BST's residential and business local exchange services when CLECs purchase those services for resale. The Commission also determined appropriate terms, conditions and restrictions to be applied for such resale.</p> <p>Order Issued On 6/12/96</p> |
| <p>6415-U & 6537-U</p> | <p>Petition of MFS Intelenet of Georgia, Inc. & Petition of MCImetro, Inc. for BellSouth Nondiscriminatory Unbundled Loops and Interconnection Rates, Terms and Conditions</p> <p>MFS requested an order granting the nondiscriminatory rates, terms and conditions necessary for interconnection with the BST network, including co-carrier arrangements and granting the request of MFS that BST unbundle its network features, functions, capabilities and services, and specifically its local loop. Similarly, MCI requested that the Commission hold a proceeding to establish nondiscriminatory rates, terms and conditions for the unbundling and resale of local loops and interconnection between MCI and BST. Due to the similarity of the Petitions, the Commission consolidated the two dockets.</p> <p>The Commission decided the issues raised in the MFS Petition and the remaining disputed issues in the MCI Petition.</p> <p>Order Issued On 9/18/96</p> |
| <p>6759-U</p> | <p>Petition by MFS Communications Company, Inc. for Arbitration of Interconnection Rates, Terms and Conditions with BellSouth</p> <p>This docket was established to resolve the open issues and impose conditions upon the parties to the agreement, which will result from this proceeding, as required by Section 252 (c) of the Act.</p> <p>The Commission established interim rates for unbundled loops to be used by MFS and BST in developing their arbitrated agreement. Other matters resolved by this arbitration include the rates, terms and conditions for collocation and the issue relating to information services.</p> <p>Order Issued On 11/8/96</p> |
| <p>6801-U</p> | <p>Petition by AT&T – Petition for Arbitration of Interconnection Rates, Terms and Conditions with BellSouth</p> <p>This docket was established to resolve the open issues and impose conditions upon the parties to the agreement, which will result from this proceeding, as required by Section 252 (c) of the Act.</p> |

| | |
|--------|---|
| | <p>The Commission ruled on some 27 disputed issues in this docket.</p> <p>Order Ruling on Arbitration Issued On 12/4/96 (Subsequent orders also issued; AT&T petition for review pending before federal court)</p> |
| 6863-U | <p>Section 271 of the Telecommunications Act of 1996</p> <p>This docket was initiated to explore BST's compliance with the "14-Point Checklist" contained in Section 271 of the Act.</p> <p>For further information, see the Summary/Conclusions Section of this Report.</p> |
| 6865-U | <p>Petition by MCI Telecommunications Corporation for Arbitration of Interconnection Rates, Terms and Conditions with BellSouth Telecommunications, Inc. under the Telecommunications Act of 1996</p> <p>This docket was established to resolve the open issues and impose conditions upon the parties to the agreement, which will result from this proceeding, as required by Section 252 (c) of the Act.</p> <p>The Commission issued rulings and decisions for 11 issues relating to unbundled elements, resale, quality of service standards, interexchange carrier access, interim local number portability and other technical, operational and administrative issues.</p> <p>Order Ruling on Arbitration Issued On 12/8/96; Final Order Issued On 4/9/97 (MCI petition for judicial review pending in federal court)</p> |
| 6958-U | <p>Petition of Sprint Communications Company L.P. for Arbitration of Interconnection Rates, Terms and Conditions with BellSouth Telecommunications, Inc. under the Telecommunications Act of 1996</p> <p>This docket was established to resolve the open issues and impose conditions upon the parties to the agreement, which will result from this proceeding, as required by Section 252 (c) of the Act.</p> <p>The Commission ruled upon 6 unresolved arbitration issues.</p> <p>Order Issued On 1/14/97</p> |
| 7061-U | <p>Review of Cost Studies, Methodologies, and Cost-Based Rates for Interconnection and Unbundling of BellSouth Telecommunications Services</p> <p>This was the generic proceeding to review BST's TELRIC cost studies and any other relevant cost studies or methodologies, and to set cost-based rates for interconnection, unbundled network elements, collocation, and access to poles, ducts, conduits, and rights-of-way.</p> <p>Order Issued On 12/16/97</p> |

| | |
|--------|--|
| 7253-U | <p>BST's Statement of Generally Available Terms and Conditions</p> <p>This docket was established to review BST's Statement of Generally Available Terms and Conditions according to the standards and requirements of Sections 251 and 252 of the federal Telecommunications Act of 1996.</p> <p>Final Order Conditionally Approving Revised Statement With Modifications Issued On 7/22/98</p> |
| 7598-U | <p>Notice of Proposed Rulemaking on Commission Rule 515-12-1-.33 Customer Notification Procedures for Disconnection of Resellers</p> <p>Due to the rapidly changing telecommunications market, these rules would protect the public welfare so that competition can develop through natural market forces while protecting end-users from service interruption. This is particularly vital for local exchange services, which will increasingly be provided by resellers as entry barriers are removed and competition increases.</p> <p>Docket Currently Pending before the Commission</p> |
| 7892-U | <p>Performance Measurements for Telecommunications Interconnection, Unbundling and Resale</p> <p>This docket was established to determine appropriate performance measurements for BST and CLECs under the federal and state Acts.</p> <p>Order Issued On 5/6/98</p> |
| 8196-U | <p>Complaint of MFS Intelenet of Georgia, Inc. against BST and request for immediate relief for breach of the terms of the Georgia partial Interconnection Agreement under Sections 251 and 252 of the Telecommunications Act of 1996</p> <p>In its complaint, MFS stated that BST has breached its interconnection agreement by failing to pay MFS reciprocal compensation as required by the agreement.</p> <p>Hearing held on 9/23/98</p> |
| 8354-U | <p>Investigation into Development of Electronic Interfaces for BellSouth's Operations Support Systems</p> <p>This docket was established to facilitate a non-adversarial, in-depth technical review of BST's Operations Support Systems, including the electronic interfaces for use by competitive local exchange carriers.</p> <p>Order Issued On 6/3/98</p> |
| 8899-U | <p>Complaint of ICG Telecom Group, Inc. against BST for failure to provide</p> |

| | |
|--------|--|
| | <p>interconnection services at a technically feasible point on a non-discriminatory basis at least equal in quality to those provided to itself in violation of Section 251 of the Telecommunications Act of 1996</p> <p>ICG alleged that BST has failed to provide physical collocation at a technically feasible point on a nondiscriminatory basis.</p> <p>Parties granted an indefinite extension</p> |
| 9097-U | <p>Petition of AT&T to Commence a Generic Proceeding to Establish Long Term Pricing and Provisioning Policies for Unbundled Network Elements</p> <p>AT&T's petition requested that the Commission conduct a generic proceeding to develop appropriate long-term pricing policies regarding recombination of unbundled capabilities.</p> <p>Currently Pending before the Commission</p> |
| 9281-U | <p>Complaint of e-spire Communications, Inc. against BellSouth regarding Reciprocal Compensation for the Traffic Terminated to Internet Service Providers</p> <p>e-spire alleged that BST had breached the Interconnection Agreement by failing to pay reciprocal compensation for the termination of traffic to internet service providers.</p> <p>Hearing held on 7/14/98, awaiting decision of Hearing Officer</p> |
| 9414-U | <p>Complaint of MGC Communications Inc. against BST for failure to provide Unbundled Network Elements</p> <p>MGC alleged that BST had failed to provide to MGC unbundled network elements pursuant to requirements set forth in an interconnection agreement and federal law.</p> <p>Hearing Scheduled for 10/8/98</p> |

TELECOMMUNICATIONS ACRONYMS

The following are acronyms used throughout the Commission Staff's Report and Opinion.

| | |
|-------|--|
| ADL | AT&T's Digital Link Service |
| ADSL | Asymmetric Digital Subscriber Line |
| AIN | Advanced Intelligent Network |
| API | Application Program Interface |
| ATLAS | Application for Telephone Number Load Administration and Selection |
| | |

| | |
|-----------|--|
| B&C Agent | Billing and Collection Agent |
| BAPCO | BellSouth Advertising and Publishing Corporations |
| BOC | Bell Operating Company |
| BOCRIS | Business Office Customer Record Information System |
| BST | BellSouth Telecommunications, Inc. |
| CABS | Carrier Access Billing System |
| CGI | Common Gateway Interface |
| CLEC | Competitive Local Exchange Company/Carrier |
| CRIS | Customer Record Information System |
| CSA | Contract Service Arrangement |
| CSPS | Competitive Structures Provisioning Center |
| CSR | Customer Service Record |
| DADS | Directory Assistance Database Service |
| DCS | Multiplexing / Digital Cross-Connecting Channelization |
| DID | Direct Inward Dialing |
| DNRI | Directory Number Route Indexing |
| DOE | Direct Order Entry |
| DS | Digital Signal |
| DSAP | DOE Support Application |
| EBI | Electronic Bonding Interface |
| EC-Lite | A machine to machine interface |
| EDI | Electronic Data Interchange |
| EDI-PC | Electronic Data Interchange – Personal Computer |
| EXACT | Exchange Access Control and Tracking System |
| FCC | Federal Communications Commission |
| FID | Feeder Distribution Interface |
| FID | Field Identifiers |
| FOC | Firm Order Commitment |
| | |

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| GPSC | Georgia Public Service Commission |
| HAL | Hands-Off Assignment Logic |
| HDSL | High Bit Rate Digital Subscriber Line |
| IDLC | Integrated Digital Loop Carrier |
| ILEC | Incumbent Local Exchange Company/Carrier |
| INP | Interim Number Portability |
| InterLATA | Long Distance |
| ISDN | Integrated Services Digital Network |
| ISP | Information (Internet) Service Provider |
| LCCs | Line Class Codes |
| LCSC | Local Carrier Service Center |
| LCUG | Local Competition Users Group |
| LEC | Local Exchange Company/Carrier |
| LENS | Local Exchange Navigation System |
| LEO | Local Exchange Ordering System |
| LERG | Local Exchange Routing Guide |
| LESOG | Local Exchange Service Ordering Guide |
| LIDB | Line Information Database |
| LNP | Local Number Portability |
| LNR | Location Routing Number |
| LSR | Local Service Request |
| MDU | Multiple Dwelling Units |
| MOU | Minute(s) Of Use |
| MSA | Metropolitan Statistical Area |
| NANC | North American Numbering Council |
| NANP | North American Numbering Plan |
| NANPA | North American Numbering Plan Administration |
| NARUC | The National Association of Regulatory Utility Commissioners |
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|-----------|---|
| NEC | The National Electrical Code |
| NECA | National Exchange Carriers Association |
| NESC | The National Electric Safety Code |
| NID | Network Interface Device |
| NPAC | Number Portability Administration Company |
| NPRM | Notice of Proposed Rule Making |
| NRCs | Non-Recurring Charge |
| NXX Codes | First three digits of the local telephone number |
| OBF | Ordering and Billing Forum |
| OLEC | Optional Local Exchange Carrier/Company |
| OS/DA | Operator Services and Directory Assistance |
| OSS | Operations Support Systems |
| P&S Order | Procedural and Scheduling Order |
| PSC | Public Service Commission |
| PSIMS | Product Services and Information Management System |
| RCC | Rate Center Consolidation |
| RCF | Remote Call Forwarding |
| RI-PH | Route Index – Portability Hub |
| RNS | Regional Negotiations System |
| RSAG | Regional Street Address Guide |
| SCP | Service Control Point |
| SGAT | Statement of Generally Available Terms and Conditions |
| SOCS | Service Order Control System |
| SOER | Service Order Edit Routine |
| SONGS | Service Ordering Negotiation System |
| SQM | Service Quality Measurement |
| SS7 | Signal System 7 |
| STP | Signal Transfer Point |
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| TAFI | Trouble Analysis Facilitation Interface |
| TELRIC | Total Element Long-Run Incremental Cost |
| TNs | Telephone Numbers |
| UDLC | Universal Digital Loop Carrier |
| UNE | Unbundled Network Element |
| USOG | Uniform Service Order Codes |

SUMMARY AND CONCLUSIONS

The Staff of the Georgia Public Service Commission ("Commission Staff") issues this Report based upon its review of the voluminous record in this case. This Report contains an effective and meaningful assessment of the status of local competition within BST's Georgia region, and therefore provides a sound basis for the Commission Staff's Opinion. This Report is not all-inclusive and should only be considered in the context and time frame in which it was issued. This Report and Opinion does evaluate BST's current checklist compliance, and describes certain areas that need further attention.

Summary of Checklist Item Conclusions

Following is a summary of the conclusions regarding each checklist item:

(1) **Checklist Item No. 1 (Interconnection)**. The Commission Staff **recommends** this item. Since the Commission issued its Order on BST's Revised SGAT on January 15, 1998, BST and the industry have made advancements relative to interconnection for local exchange service competition. The Commission notes that parity is of utmost importance in this checklist item as the direct interconnection of the parties is the main link of all services that are to be provided. As of the date of this Report, sufficient information has been furnished that proves that BST is providing interconnection at parity. An endorsement by the Commission must be contingent upon the monitoring of the OSS progress reports in Docket No. 8354-U, the Performance Measurement Reports in Docket No. 7892-U, and BST's compliance with the provisions outlined in the Commission's Order in Docket No. 7253-U dated July 22, 1998.

(2) **Checklist Item No. 2 (Unbundled Network Elements)**. The Commission Staff **does not recommend** this item. BST has continued to improve its performance relative to the provision of its Operations Support Systems. Many of the system enhancements ordered by the Commission in Docket No. 8354-U have been implemented by BST. A review of relevant performance measurements filed pursuant to the Commission's Docket No. 7892-U Order indicates that these system enhancements have produced improved operating results. In order for CLECs to have a meaningful opportunity to compete and ensure that the ordering, provisioning, and maintenance functions are provided in a timely, efficient and consistent manner, BST must provide all pertinent performance data for the months of July, August, and September 1998. Upon receipt and review of this subsequent information, the Commission Staff will be able to determine whether BST has met this competitive checklist item.

(3) **Checklist Item No. 3 (Poles, Ducts, Conduits, and Rights-of-Way)**. **No determination**. The Commission Staff will defer any determination until the requested information has been provided. BST must affirmatively state the methods and procedures that are available under the license agreements to carriers and the dispute resolution procedures in the event problems arise. BST must explicitly address the methods and/or procedures that will apply in the matter of access to manholes in emergency situations.

(4) **Checklist Item No. 4 (Loops)**. The Commission Staff **does not recommend** this item. In order for CLECs to have a meaningful opportunity to compete and ensure that unbundled loops are provided in a timely, efficient and consistent manner, BST must provide all pertinent performance data for the months of July, August, and September 1998. Upon receipt and review of this subsequent information, the Commission will determine whether BST has met this competitive checklist item.

(5) **Checklist Item No. 5 (Transport)**. The Commission Staff **recommends** this item with the following modification. BST must submit supplemental performance data which specifically identifies those trunk groups which exceed the Commission Service Quality Rule for trunk blockage. BST must also provide detailed information regarding the corrective actions taken to relieve trunk blockage.

(6) **Checklist Item No. 6 (Switching)**. The Commission Staff **recommends** this item with the following modifications. BST must disaggregate reported performance data in the UNE Non-Design category for unbundled local switching to reflect individual data for 2-wire analog ports and customized call routing. BST must also provide the results of their technical trial for selective routing using the AIN platform.

1. **Checklist Item No. 7 (911 and E911, Directory Assistance and Operator Service)**. The Commission Staff **recommends** this item.

2. **Checklist Item No. 8 (White Pages)**. The Commission Staff **recommends** this item.

(9) **Checklist Item No. 9 (Numbering Administration)**. **No determination**. The Commission Staff will defer any determination until the requested information has been provided. To demonstrate that it is providing nondiscriminatory access to telephone numbers, BST must provide data to permit a direct comparison of the access to numbering resources that it provides to CLECs with the access provided to itself for retail operations. BST has assigned numerous NXX codes to competing carriers. BST has not refused to assign an NXX code where a legitimate request has been made by a BST competing carrier. Lockheed-Martin has been selected by the FCC as the new third-party Number Administrator. To ensure that competing carriers have had and will continue to have the same access to NXX codes as BST, BST must provide supplemental information that confirms that indeed Lockheed-Martin has assumed all duties regarding number administration; and that while BST was the number administrator it assigned NXX codes to competing carriers in the same manner it made assignments to itself.

(10) **Checklist Item No. 10 (Database and Signaling)**. **No determination**. The Commission Staff will defer any determination until the requested information has been provided. BST must provide information detailing the manner in which it provides new entrants with the same access to call-related databases and associated signaling that it provides to itself. In addition, BST must demonstrate that it provides CLECs access to the same features and functionalities associated with these call-related databases and signaling systems that it provides to itself.

(11) **Checklist Item No. 11 (Number Portability)**. The Commission Staff **recommends** this item with the following modification. BST and the Georgia Number Portability Steering Committee must continue to file with this Commission monthly status reports in Docket No. 5840-U on developments and implementation of permanent number portability. BST must provide the results of testing long-term number portability for the Atlanta MSA to show that it works effectively.

(12) **Checklist Item No. 12 (Dialing Parity)**. The Commission Staff **recommends** this item.

(13) **Checklist Item No. 13 (Reciprocal Compensation)**. **No determination**. The Commission Staff will defer any determination on this item until BST can demonstrate compliance. BST must demonstrate that it is in compliance with the SGAT and its interconnection agreements by documenting that BST is making all required payments and receiving compensation from CLECs in a timely fashion.

(14) **Checklist Item No. 14 (Resale)**. The Commission Staff **does not recommend** this item. BST has continued to improve its performance relative to the provision of its Operations Support Systems. Many of the system enhancements ordered by the Commission in Docket No. 8354-U have been implemented by BST. A review of relevant performance measurements filed in Docket No. 7892-U indicates that these system enhancements have produced improved operating results. In order for CLECs to have a meaningful opportunity to compete and ensure that the ordering, provisioning, and maintenance functions are provided in a timely, efficient and consistent manner, BST must provide all pertinent performance data for the months of July, August, and September 1998. In addition, BST must provide the number of units provisioned for each of the top 50 resale items for the months of July, August, and September 1998. For those items of which there has been no commercial usage, BST must provide information which affirms that these items have been tested either internally or through a third-party and can be ordered electronically utilizing BST's OSS. Upon receipt and review of this subsequent information, the Commission Staff will be able to determine whether BST

has met this competitive checklist item.

Overall Recommendations

The Commission Staff cannot, at this time, recommend to the Commission support of BST's Section 271 application. BST's submission did not provide complete, self-contained information, which required the Commission Staff to search through many separate filings in this and other dockets in order to properly assess BST's checklist compliance or whether BST's local market is truly open to competition. The Commission Staff also had to resort to out-dated information contained in BST's 87 Binders filed in June 1997. BST's information filed May 27, 1998 was only a brief statement about its Section 271 application that referenced Commission dockets in support of what was filed. The Commission Staff shouldered the burden to locate the specific information necessary to make a proper and correct assessment.

The Commission Staff submits that BST's failure to incorporate pertinent information within a single, unified filing as to each Section 271 requirement reflects adversely on its showing in this proceeding. BST should be expected, if not required, to assemble and incorporate all such pertinent information with any future filing in order to provide a clear, complete picture of its compliance with each checklist item. For each checklist item, BST should use the same format as used in the "Commercial Usage and Compliance" sections in this Report's checklist analyses.

Collaborative Process

The Commission has successfully used collaborative approaches for the emerging competitive issues in telecommunications since the first of a series of workshops on local number portability in Docket No. 5840-U, held on August 16-17, 1995. A collaborative approach was also used for the technical workshop on Operations Support Systems in Docket No. 8354-U, on December 9-10, 1997, and has been established as an ongoing requirement so that the industry participants will jointly develop and submit their progress reports on OSS development. The Commission further allowed for a collaborative process in Docket No. 7253-U for monitoring BST's success in continuing to fulfill the offerings, terms and conditions contained in BST's revised Statement of Generally Available Terms and Conditions. The Commission did not structure a formal process for such efforts in that docket, because the affected parties already had been directed and encouraged to work together and submit reports in other dockets pertaining to such items as number portability (Docket No. 5840-U), OSS and electronic interface development (Docket No. 8354-U), and the resolution of complaints and disputes generally.

Therefore the Commission kept open the SGAT docket (No. 7253-U) as an administrative forum for such efforts, stating that it would determine at a later time whether it is appropriate to establish a more formal structure in addition to those which already exist. In the meantime, the joint industry progress reports required in Docket No. 8354-U provide a mechanism for the parties to continue communicating with one another in reviewing and reporting on BST's compliance with the OSS order in that proceeding.

This docket (No. 6863-U) should also remain open to allow for voluntary collaborative efforts by BST and the CLECs. The Commission Staff will consider providing oversight or guidance for a collaborative process if the affected parties jointly submits a request seeking such Commission Staff involvement.

Future Proceedings

As stated with respect to collaborative approaches, this docket should remain open to allow for voluntary collaborative efforts by BST and the CLECs. The Commission Staff will consider providing oversight or guidance for a collaborative process if the affected parties jointly submit a request seeking such Commission Staff involvement.

Since the Commission Staff found several areas of deficiency before BST should be deemed in compliance with all 14 checklist items under Section 271(c)(2)(B), the Commission in Administrative Session on October 6, 1998 accepted the following schedule for BST's supplemental filing:

- On or before October 15, 1998, the Commission Staff will issue its detailed Report and Opinion in this Docket, detailing the supplemental information BST must provide and showing the format for analysis.

- If necessary and upon request, BST may meet with the Commission Staff in an open meeting on October 22, 1998 for clarification of the information needed to remedy the deficiencies identified in the Report and Opinion.
- On or before November 13, 1998, BST shall file the supplemental information identified in the Report and Opinion. For each checklist item, BST should provide the information relative to each category in the checklist analyses in this Report. The submission by BST of a new filing that contains the information identified as being necessary by this Report and Opinion will not be tantamount to an automatic recommendation for approval by the Commission. The Commission Staff must review such a new filing, considering updated information in its proper context, before affirmatively providing another opinion regarding BST's progress in meeting the Section 271 checklist requirements.

The November 13, 1998 filing should meet the following requirements: 1) For each checklist item which the Commission Staff recommended without any modification, BST need not submit anything further (although it may provide an optional update). 2) For each item recommended with a modification, and for each item on which there was no determination, BST must provide supplemental information as specified in the modification or the directions for further information. 3) For those items that were not recommended, BST must file a complete analysis with supplemental information relative to each category in the checklist analysis (e.g., commercial usage and compliance, general description, cost, OSS, performance measurements).

- On or before December 15, 1998, this Commission will consider any supplemental recommendation by the Commission Staff in order to render its final Report and Opinion regarding BST's checklist compliance.

On or before the date BST files its application with the FCC, BST must file with this Commission an actual and complete copy of the FCC Section 271 filing. This is necessary to facilitate the Commission Staff's further review, whether or not that review is formally limited in its scope. However, BST may omit duplicate copies of GPSC orders and documents already on record with this Commission, so long as BST provides an index correlating the FCC application exhibit numbers with the order (or document) title, docket number, document file number (if available), and date filed with this Commission.

In addition, BST is invited to provide this Commission with any supplemental information, at any time, that responds to FCC concerns that may not have been identified in this Report and Opinion.