CASE NUMBER:

99-498

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

March 22, 2000

To: All parties of record

RE: Case No. 1999-498

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

Honorable Norton Cutler
Vice President Regulatory & General
Counsel
BlueStar Networks, Inc.
L & C Tower, 24th Floor
401 Church St.
Nashville, TN 37219

Honorable C. Kent Hatfield
Honorable Henry S. Alford
Counsel for Bluestar Networks, Inc.
Middleton & Reutlinger
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Honorable Creighton E. Mershon,
General Counsel - Kentucky
BellSouth Telecommunications, Inc.
601 West Chestnut Street, Room 407
P. O. Box 32410
Louisville, KY 40232

Honorable Frank F. Chuppe
Honorable Kevin J. Hable
Counsel for BlueStar
Wyatt, Tarrant & Combs
Citizens Plaza
Louisville, KY 40202

Honorable Henry Walker
Honorable Michael B. Bressman
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Honorable J. Phillip Carver
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Honorable Michael B. Bressman
Associate General Counsel
Bluestar Networks
401 Church Street, 24th Floor
Nashville, TN 37219

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE INTERCONNECTION AGREEMENT NEGOTIATIONS BETWEEN BLUESTAR NETWORKS, INC. AND BELLSOUTH TELECOMMUNICATIONS, INC. PURSUANT TO THE TELECOMMUNICATIONS ACT OF 1996	)))))	CASE NO. 99-498

O R D E R

On March 7, 2000, BlueStar Networks, Inc. ("BlueStar") filed a dual motion for a continuance of the scheduled hearing and to compel BellSouth Telecommunications, Inc. ("BellSouth") to produce complete current cost studies utilized as a basis to establish rates for asymmetric digital service lines ("ADSL") and high-bit rate digital service lines ("HDSL") compatible loops, unbundled copper loops ("UCL"), and loop conditioning. BellSouth agreed with the rescheduling of the hearing date to May 10, 2000.

BellSouth filed a response to BlueStar's motion stating that the Commission had set interim rates for unbundled network elements ("UNEs") in July 1997, that its UNE cost studies are currently being updated but will not be completed until July 2000, and that it plans to request the Commission to open a generic cost proceeding to set permanent rates for such elements.

BlueStar filed a reply to BellSouth's response.

Having considered the record, including BlueStar's motion to compel, the response, and the reply, and being otherwise sufficiently advised, the Commission finds

that delaying the filing of necessary cost information until July 2000 is unnecessary. BlueStar is entitled to arbitration on these pricing issues. Moreover, the Commission is particularly concerned at the allegations of record in this docket that BellSouth is charging prices in Kentucky that are up to six times higher than prices charged in other BellSouth states.

IT IS THEREFORE ORDERED that:

1. BlueStar's motion to compel is granted. BellSouth shall produce on or before March 31, 2000 all current cost studies utilized as a basis to establish rates for ADSL and HDSL compatible loops, UCL loops, and loop conditioning.

2. BellSouth shall produce on or before March 31, 2000 any interim, permanent, or currently pending UNE rates for ADSL and HDSL compatible loops, UCL loops, and loop conditioning in the states of Georgia, Florida, Tennessee, Alabama, Louisiana, Mississippi, North Carolina, and South Carolina.

Done at Frankfort, Kentucky, this 22nd day of March, 2000.

By the Commission

ATTEST:

Executive Director

MIDDLETON & REUTLINGER
founded in 1854
2500 BROWN & WILLIAMSON TOWER
LOUISVILLE, KENTUCKY 40202-3410
502.584.1135
FAX 502.561.0442
WWW.MIDDREUT.COM

March 15, 2000

Martin Huelsmann
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O Box 615
Frankfort, Kentucky 40601

RE: Case No. 99-498

Dear Mr. Huelsmann:

Enclosed for filing in the above-referenced case are the original and ten (10) copies of BlueStar Networks Inc.'s Reply to BellSouth's Response to BlueStar's Motion to Compel and Motion for Continuance. Please indicate receipt of this filing by your office by placing a file stamp on the extra copy and returning to me via our runner.

Sincerely,

C. Kent Hatfield

C. Kent Hatfield
Counsel for BlueStar Networks, Inc.

CKH:jms

enc.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

MAR 15 2000

PUBLIC SERVICE COMMISSION

In Re:	)	
Petition for Arbitration of Bluestar	)	Case No. 99-498
Networks, Inc. with BellSouth	)	
Telecommunications, Inc. Pursuant	)	
To the Telecommunications Act	)	
of 1996	)	

BLUESTAR NETWORKS, INC.'S REPLY TO BELLSOUTH'S RESPONSE TO BLUESTAR'S MOTION TO COMPEL AND MOTION FOR CONTINUANCE

Introduction

BlueStar Networks, Inc. ("BlueStar") has requested that the Public Service Commission of Kentucky order BellSouth Telecommunications, Inc. ("BellSouth") to produce certain cost studies in this proceeding and grant a continuance so that the Commission and BlueStar can fully evaluate, analyze and comment on these cost studies. BellSouth has agreed to a continuance, and it is BlueStar's understanding that the Commission will set a new procedural schedule for this proceeding. BellSouth, however, wants to file cost studies in a future cost docket which BellSouth has not yet petitioned for and which the Commission has not yet agreed to open. In the meantime, BellSouth insists that BlueStar pay anticompetitive and excessive rates for ADSL/HDSL-compatible loops, unbundled copper loops ("UCLs") and loop conditioning that are as much as **six times higher** than the rates BellSouth charges in other states in its region. BlueStar believes that if the Commission decides to set final rates through a generic cost docket, then the Commission should set interim rates (subject to true up) that promote competition, not inhibit it. BlueStar, therefore, urges the Commission to adopt competitive interim rates now in

this arbitration regardless of whether BellSouth files cost studies now or in some future cost docket.

1. Loop Rates.

BellSouth argues that the interim nonrecurring rates for ADSL/HDSL-compatible loops and UCLs should remain at $713 until permanent rates can be set in a generic cost docket.[1] Put another way, BellSouth wants to continue charging excessive and anticompetitive (according to figures in its own cost studies) nonrecurring rates, so that it may continue to limit competition in Kentucky for another six months or more, until it has time to draft cost studies and the Commission convenes a generic proceeding and issues a final order.

There currently is no evidence to support nonrecurring loop rates anywhere near $713. The Florida Commission has set through arbitration a rate of $113 per loop. On March 2, 2000, BellSouth filed revised loop rates for Georgia, which ranged from $359 to $395 per loop. In December 1999, it proposed a revised ADSL/HDSL-compatible loop rate of $270 in Tennessee. How can BellSouth continue to charge $713 in Kentucky while it charges $270 across the border in Tennessee for the same loop? Such conduct is contrary to the public interest.

The Commission never had the opportunity to carefully review BellSouth's 1997 cost study because it was filed at the last moment, and these nonrecurring rates were never subjected to a contested hearing. Every Commission that has had the time to review the BellSouth cost studies with the assistance of careful CLEC analysis has lowered the costs significantly. For example, in Florida and Tennessee, BellSouth proposed more than $600 per loop, however, the rate was cut to $113 in Florida and, at most $270 (there is no final order yet) in Tennessee. These rates are much more in line with the rates charged by other ILECs in Kentucky.

Cincinnati Bell has a $99 nonrecurring charge for 2-wire xDSL-compatible loops. Similarly, GTE has a nonrecurring rate of approximately $132 for loops. Contrary to BellSouth's unsupported allegation (Response at 3, 5), BlueStar would expect these rates to apply to loops ordered by any BellSouth competitor, not just BlueStar.

2. Cost Studies.

BellSouth states that it "plans to file a petition in the near future to request that the Commission open a generic cost docket to set new UNE rates" and will file cost studies in July in that proceeding. Response at 2. BellSouth asserts that it cannot have new cost studies for Kentucky before July because they will be based on a cost model it will be filing in Florida in April. This assertion is baffling. First, according to BellSouth, it filed a cost study for UCLs in Florida in February 1999. Second, it filed costs studies, which purportedly supported revised rates for ADSL/HDSL-compatible loops, in Tennessee in December 1999. Third, BellSouth recently filed a cost study in North Carolina that addressed line conditioning. Fourth, BellSouth just filed cost studies in Georgia for UCLs and line conditioning. BlueStar believes that if BellSouth has recently filed so many cost studies that address ADSL/HDSL-compatible loops, UCLs, and line conditioning that it should not take BellSouth another four months to produce one for Kentucky. Any delay in producing these studies without a change in interim rates will undermine competition.

Conclusion

BellSouth urges to the Commission to remove all pricing issues from this arbitration and put them in a nonexistent generic cost docket. By doing so, it hopes to extract excessive rates from competitors for as long as possible and thereby delay full competition. The Commission

[1] BellSouth and BlueStar have continued settlement negotiations concerning the rates for ADSL/HDSL-compatible loops, UCLs, and loop conditioning. Because these negotiations are on-going, BlueStar will not disclose the current

should reject this approach and instead lower interim rates pending any future generic cost docket.

Respectfully submitted,

C. Kent Hatfield
Henry S. Alford
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(615) 252-2363

Honorable Frank F. Chuppe
Honorable Kevin J. Hable
Wyatt, Tarrant & Combs
Citizens Plaza
Louisville, KY. 40202
(502) 589-5235

COUNSEL FOR BLUESTAR NETWORKS, INC.

offers in this pleading.

CERTIFICATE OF SERVICE

A copy of the foregoing was served this 15th day of March, 2000, by first class, United States mail, postage prepaid, upon all parties of record.

C. Kent Hatfield

C. Kent Hatfield

COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 SOWER BOULEVARD
POST OFFICE BOX 615
FRANKFORT, KY. 40602
(502) 564-3940

March 13, 2000

To: All parties of record

RE: Case No. 1999-498

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

Stephanie Bell
Secretary of the Commission

SB/sa
Enclosure

Honorable Norton Cutler
Vice President Regulatory & General Counsel
BlueStar Networks, Inc.
L & C Tower, 24th Floor
401 Church St.
Nashville, TN 37219

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Honorable Michael B. Bressman
Associate General Counsel
Bluestar Networks
401 Church Street, 24th Floor
Nashville, TN 37219

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE INTERCONNECTION AGREEMENT NEGOTIATIONS BETWEEN BLUESTAR NETWORKS, INC. AND BELLSOUTH TELECOMMUNICATIONS, INC. PURSUANT TO THE TELECOMMUNICATIONS ACT OF 1996	)))))	CASE NO. 99-498

O R D E R

This matter is before the Commission upon motion of BlueStar Networks, Inc. ("BlueStar") filed on March 7, 2000 and response of BellSouth Telecommunications, Inc. ("BellSouth") filed on March 9, 2000. BlueStar has waived the time limitation imposed by statute from April 1, 2000 to June 12, 2000. BellSouth likewise has waived the time limitation from April 1, 2000 to June 12, 2000, although its rationale supports the agreed extension on grounds other than the necessity of having to file the cost studies in question.

The procedural schedule must be amended to reflect the necessary changes. The Commission having considered the record, the motion, and the response, and being otherwise sufficiently advised, HEREBY ORDERS that:

1. The hearing scheduled on March 15, 2000 is continued and rescheduled to be conducted on May 10, 2000 at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky. There shall be no opening statements, direct testimony, or summaries of direct testimony without special leave.

2. By March 22, 2000, the parties may update their prefiled direct testimony.

3. By April 3, 2000, the parties shall file any rebuttal testimony. At hearing, testimony is limited to cross-examination or re-direct examination.

4. Parties shall file the original and twelve copies of all testimony. The original and at least three copies of the testimony shall be filed as follows:

a. Together with cover letter listing each person presenting testimony.

b. Bound in 3-ring binders or with any other fastener which readily opens and closes to facilitate easy copying.

c. Each person's testimony should be tabbed.

d. Every exhibit to each person's testimony should be appropriately marked.

5. Any agreed-upon portions of the parties' contracts, which have not already been filed, shall be filed by April 24, 2000.

6. Each party shall submit, in contract form, its best and final offer on each disputed issue no later than April 24, 2000.

7. An informal conference is scheduled to be conducted on May 2, 2000, at 10:00 a.m., Eastern Daylight Time, in Conference Room 1 of the Commission's offices at the address listed above.

Done at Frankfort, Kentucky, this 13th day of March, 2000.

By the Commission

ATTEST:

Executive Director

BellSouth Telecommunications, Inc.
P. O. Box 32410
Louisville, Kentucky 40232
or
BellSouth Telecommunications, Inc.
601 West Chestnut Street, Room 407
Louisville, Kentucky 40203

502 582-8219
Fax 502 582-1573
Internet
Creighton.E.Mershon@bridge.bellsouth.com

Creighton E. Mershon, Sr.
General Counsel – Kentucky

March 10, 2000

Mr. Martin J. Huelsmann, Jr.
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

Re: Petition for Arbitration of BlueStar Networks, Inc. with BellSouth Telecommunications, Inc. pursuant to the Telecommunications Act of 1996
PSC 99-498

Dear Mr. Huelsmann:

Further in connection with BellSouth's filing in this case on March 8, 2000, enclosed for filing are the original and ten (10) copies of BellSouth's best and final offer.

Sincerely,

Creighton E. Mershon, Sr.

Enclosure

cc: Parties of Record

200752

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served on the individuals on the attached Service List by mailing a copy thereof, this 10th day of March 2000.

Creighton E. Mershon, Sr.

SERVICE LIST - PSC 99-498

Honorable Norton Cutler
Vice President Regulatory & General Counsel
BlueStar Networks, Inc.
L & C Tower, 24th Floor
401 Church Street
Nashville, TN 37219

Hon. C. Kent Hatfield
Hon. Henry S. Alford
Middleton & Reutlinger
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Honorable Henry Walker
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Honorable Michael B. Bressman
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Hon. Frank F. Chuppe
Hon. Kevin J. Hable
Wyatt, Tarrant & Combs
Citizens Plaza
Louisville, KY 40202

191408

Issue 5: Should BellSouth be required to implement a process whereby xDSL loop orders that are rejected are automatically converted to orders for UCLs without requiring BlueStar to resubmit the order?

BellSouth's Proposal

BellSouth is developing a Loop Make-Up Service Inquiry process which will provide BlueStar with loop makeup information that will enable BlueStar to determine the suitability of the loop for providing data services.

Issue 11: Rates for ADSL, HDSL, UCL and Loop Conditioning

BellSouth's Proposal

The Kentucky Public Service Commission ordered rates for ADSL and HDSL loops in Case No. 96-482. BellSouth believes that the rates set by the Commission should remain in effect until the Commission revisits all UNE rates in a generic cost docket.

ADSL – RC – with Network Interface Device	$11.89
RC – without Network Interface Device	$10.63
NRC – with/without NID – First	$713.50
NRC – with/without NID – Add'l	$609.44
HDSL – RC – with Network Interface Device	$ 8.51
RC – without Network Interface Device	$ 7.40
NRC – with/without NID – First	$713.50
NRC – with/without NID – Add'l	$609.44

UCL Rates – BlueStar signed an amendment for interim UCL rates which should apply until the Kentucky Public Service Commission addresses this rate element in a generic cost docket. The rates in the amendment are interim rates, subject to true-up once permanent rates are set by the Commission.

UCL Rates – Short/Long	
RC	$ 11.89
NRC – First	$713.50
NRC – Add'l	$609.44

Loop Conditioning - BlueStar signed an amendment that includes interim rates for Loop Conditioning. These rates should apply until permanent rates are set by the Kentucky Public Service Commission in a generic cost docket. However, BellSouth is also willing to offer to BlueStar the Loop Conditioning rates recently filed by BellSouth in its SGAT in Georgia, which are as follows:

Loop Conditioning	
Load Coil/Equip. Removal per pair	
Loops up to 18Kft.	
NRC – First	$ 70.04
NRC – Add'l	$ 70.04
Load Coil/Equip. Removal per pair	
Loops greater than 18Kft.	
NRC – First	$765.29
NRC – Add'l	$ 23.74
Bridge Tap Removal, per pair	$105.34

Issue 14: Liquidated Damages

BellSouth proposes its voluntary self-effectuating enforcement mechanisms (VSEEM III). The enforcement mechanisms become effective once BellSouth receives 271 approval.

A copy of BellSouth's VSEEM III is attached.

Issue 16: Dispute Resolution

BellSouth's Proposal

12. Resolution of Disputes

The Parties agree that it is in their interest to resolve disputes arising under this contract in an expedited manner. To expedite resolution of disputes, such as access to collocations or provisioning, the Parties agree to form an Intercompany Board. Each Party will designate one person (and one alternative person in case the primary designee is unavailable) with sufficient authority to resolve disputes quickly. If a dispute arises that is not being resolved quickly in the ordinary course, a Party's designee shall contact the other Party's designee. The two will then work together to resolve the dispute within 2 business days. If the dispute cannot be resolved within the 2 business days, either Party may file

a Petition or Complaint with the Commission for a resolution of the dispute.

Issue 16: Access to Riser Cable

2.5 **Sub-loop Elements**

2.5.1 Where facilities permit and subject to applicable and effective FCC rules and orders, BellSouth shall offer access to its Unbundled Sub Loop (USL), Unbundled Subloop Concentration (USLC) System and Unbundled Network Terminating Wire (UNTW) elements. BellSouth shall provide non-discriminatory access, in accordance with 51.311 and section 251 (c) (3) of the Act, to the subloop, on an unbundled basis and pursuant to the following terms and conditions and the rates approved by the Commission and set forth in this Attachment. Until such time as rates for Sub Loop elements have been approved by the Commission, BlueStar shall pay to BellSouth interim cost-based rates established by BellSouth, such rates to be subject to true-up in accordance with Section 17.3 of this Attachment.

2.5.2 Subloop components include but are not limited to the following:

2.5.2.1 Unbundled Sub-Loop Distribution;

2.5.2.2.1 Unbundled Sub-Loop Concentration/Multiplexing Functionality; and

2.5.2.3 Unbundled Network Terminating Wire; and

2.5.2.4 Unbundled Sub-Loop Feeder.

2.5.3 Unbundled Sub-Loop (distribution facilities)

2.5.3.1 Definition

2.5.3.2 Subject to applicable and effective FCC rules and orders, the unbundled sub-loop distribution facility is a dedicated transmission facility that

BellSouth provides and which extends from the point of demarcation between BellSouth's loop facilities and the inside wire serving the customer to a BellSouth cross-connect device. The BellSouth cross-connect device may be located within a remote terminal (RT) or a stand-alone cross-box in the field or in the equipment room of a building. There are two offerings available for Unbundled Sub-Loops (USL):

2.5.3.3 Unbundled Sub-Loop Distribution (USL-D) will include the sub-loop facility from the cross-connect device in the field up to and including the point of demarcation.

2.5.3.4 BellSouth will also provide sub-loop interconnection to the intrabuilding network cable (INC) (riser cable). INC is part of BellSouth's loop facilities and is the distribution facility inside a customer's building or between buildings on one customer's same premises (continuous property not separated by a public street or road). USL-INC (riser cable) will include the facility from the cross-connect device in the building equipment room up to and including the point of demarcation.

2.5.4 Requirements for Unbundled Sub-Loop Distribution Facilities

2.5.4.1 Unbundled Sub-Loop distribution facilities are part of BellSouth's loop facilities and were originally built as part of the entire voice grade loop from the BellSouth central office to the customer demarcation point. Therefore, the Unbundled Sub-Loop may have load coils which are necessary for transmission of voice grade services. The Unbundled Sub-Loops will be provided in accordance with technical reference TR73600.

2.5.4.2 USL distribution facilities shall support functions associated with provisioning, maintenance and testing of the Unbundled Sub-

Loop. In a scenario that involves connection at a BellSouth cross-connect device located in the field, BlueStar would be required to deliver a cable to the BellSouth cross-connect device to provide connectivity to BlueStar's feeder facilities. This cable will be connected, by a BellSouth technician, to a cross-connect panel referred to as the access terminal within the BellSouth cross-connect device. BlueStar's cable pairs can then be connected to BellSouth's USL within the BellSouth cross-connect device by the BellSouth technician. In a scenario that requires connection in a building equipment room, BellSouth will install an access terminal to which access the requested sub-loops will be connected. BlueStar's cable pairs can then be connected to the Unbundled Sub-Loop pairs on this access terminal by the BellSouth technician.

2.5.4.3 BellSouth will provide Unbundled Sub-Loops where possible. Through the firm order Service Inquiry (SI) process, BellSouth will determine if it is feasible to place the required facilities where BlueStar has requested access to Unbundled Sub-Loops. If existing capacity is sufficient to meet the BlueStar's demand, then BellSouth will perform the set-up work as described in the next section 2.5.4.4. If any work must be done to modify existing BellSouth facilities or add new facilities (other than installing the access terminal as noted in 2.5.4.2) to accommodate BlueStar's request for Unbundled Sub-Loops, BellSouth will use its Special Construction (SC) process to determine the additional costs required to provision the Unbundled Sub-Loops. BlueStar will then have the option of paying the one-time SC charge to modify the facilities to meet BlueStar's request.

2.5.4.4 During the initial set-up in a BellSouth cross-connect device in the field, the BellSouth technician will perform the necessary work to splice the BlueStar's cable into the cross-connect device. For the set-up inside a building equipment room, BellSouth will perform the necessary work to install the access terminal that will be used to provide access to the requested USLs. The cost to install the access terminal will be charged to BlueStar. Once the set-up is

complete, the sub-loop pairs requested by BlueStar will be provisioned through the service order process based on the submission of a LSR to the LCSC.

2.5.5 Interface Requirements

2.5.5.1 Unbundled Sub-Loop shall be equal to or better than each of the applicable interface requirements set forth in the following technical reference:

2.5.5.1.1 BellSouth Technical Reference, TR73600

2.5.6 **Shared access terminal in the building equipment room**. BlueStar may allow other telecommunications carriers to share BlueStar's access terminal in the field pursuant to terms and conditions agreed to by BlueStar and other telecommunications carriers and pursuant to this section of the Agreement regarding USLs. BlueStar shall notify BellSouth in writing upon execution of any agreement between BlueStar and another telecommunications carrier within ten (10) business days of its execution. Such notice shall include the name of the other telecommunications carrier and the term of the agreement, and shall contain a certification by BlueStar that said agreement imposed upon the other telecommunications carrier, the same terms and conditions for USLs as set forth in this Section of the Agreement between BlueStar and BellSouth.

2.5.6.1 BlueStar shall be the sole interface and responsible party to BellSouth for the purpose of paying all costs associated with providing the access terminal, for the purpose of submitting LSRs for UCLs to the LCSC; and for the purpose of ensuring that the safety and security requirements of this section are fully complied with by the other telecommunications carrier, its employees and agents.

2.5.6.2 BlueStar shall indemnify and hold harmless BellSouth from any and all claims, actions, causes of action, of whatever kind or nature arising out of the presence of the other telecommunications carrier sharing BlueStar's access terminal in the field.

2.5.7 **RATES**

2.5.7.1 The following rates apply in Kentucky for Intrabuilding Network Cable (INC) (riser cable). These rates are interim rates subject to true-up.

Intrabuilding Network Cable (INC) - Riser Cable	**USOC**	**KY Rates**
2-Wire USL- INC, per pair, per month	USBR2	$1.33
NRC – Set-Up per Bldg. Equip. Room, CLEC feeder facility set-up	USBSB	$367.09
NRC – Set-Up per Bldg. Equip Room , per 25 pair panel	USBSD	$150.96
NRC – 1st	USBR2	$130.84
NRC – Add'l	USBR2	$33.36
NRC- Manual Order Coordination, Per USL-INC pair (required)	USBMC	$36.46
4-Wire USL- INC, per pair, per month	USBR4	$2.65
NRC – Set-Up per Bldg. Equip. Room, CLEC feeder facility set-up	USBSB	$367.09
NRC – Set-Up per Bldg. Equip Room , per 25 pair panel	USBSD	$150.96
NRC – 1st	USBR4	$160.18
NRC – Add'l	USBR4	$45.27
NRC- Manual Order Coordination, Per USL-INC pair (required)	USBMC	$36.46

Bellsouth Voluntary Self-Effectuating Enforcement Mechanism (VSEEM) plan is comprehensively crafted based on the following principles:

- Inclusion of key, outcome oriented measures
- Designed to prevent BST "backsliding" on CLEC service
  - Comprehensive plan that is "Meaningful" and "Significant"
  - Monetary remedies escalate with the magnitude of failure
  - Monetary remedies escalate with the duration of the failure
  - Non-monetary consequences are incorporated in the plan
- Addresses all CLECs in operation; large and small
- Addresses the CLEC Industry
- Uses sound statistical procedures
  - Compares "like-to-like" with deep disaggregation
  - Solves the problem of 'random variation'
  - Procedures do not 'mask discrimination'
  - Methodology for balancing Type I and Type II Errors
- Structured such that CLECs will not prefer Remedies over Quality Service
- Minimize opportunities for 'Gaming'
- Swift and Self-Executing
  - Interest paid on remedy rendered for each date past due
- Not applied until after 271 approval in a specific state
- Fairly simple to implement and monitor

VSEEM MEASUREMENTS

The measurement set included in the VSEEM plan are key, outcome oriented measures. A description of each measure can be found in Exhibit B.

The modes of entry (MOE) are addressed for Resellers and Facilities-based providers; with the following product groupings: Resale POTS, Resale Design, UNE Loop and Port Combinations, UNE Loops, IC Trunks and Collocation.

STATISTICAL TESTING

Bellsouth supports the use of the Truncated-Z test and Balancing Critical Value to determine parity of service. The statistical test adopted by Bellsouth solves many problems that the CLECs and other ILECs correct for in their remedy plans. A detailed description of the statistical procedures can be found in Exhibit C.

Disaggregation

The primary purpose of disaggregate reporting is to get a "like-to-like" for comparative analysis. Bellsouth solves the problem of "like-to-like" in its cell level grouping and statistical testing. "Like-to-like" ensures testing is going on for those CLECs with a business plan targeted at a specific market. Deep disaggregation during the statistical procedure alleviates the need for multiple, unnecessary report production as proposed by many CLECs. (See Exhibit C)

Random Variation

The issue of random variation is solved when generating an Overall Test Statistic for a particular measure. This process is further described in Exhibit C. Bellsouth does not have to correct for this in the remedy plan because it has been solved in the statistical procedure.

Masking Discrimination

The process of truncating positive z-scores to zero solves the problem of masking discrimination.

Type I and Type II Error Balancing

Parity is determined by comparing the results of the statistical test to a critical value. This critical value may be fixed or dynamic. A fixed critical value suggests a controlled experiment is underway; either predetermining the sample or assuming the sample remains static month over month. This suggest that Bellsouth and the CLEC will always have the same number of transactions, therefore stabilizing the probability that Bellsouth is failing when it is not, and the probability that Bellsouth is not failing when it is. Recognizing this is not so, Bellsouth has adopted a methodology to balance the critical value using current month performance results. See Exhibit C.

In summary, Bellsouth does not support the use of a "defacto balance point" as proposed by some of the CLECs, but rather a sound statistical approach to balancing based on the varying monthly data/activity.

VSEEM Structure

Bellsouth offers a tiered approach to remedies, with each tier operating independently. Tier-1 addresses the individual CLEC, Tier-2 and Tier-3 address the CLEC industry.

Tier-1 for Retail Analogues

Tier-1 enforcement mechanisms are triggered when Bellsouth fails on any one of the Tier-1 VSEEM measurements for a particular month, and paid directly to an individual CLEC. See Exhibit B for a list of Tier-1 submetrics.

The decision point (regarding the pass or fail status of a measure) is determined by the individual CLEC results of the overall test statistic and balancing critical value when parity is the standard. This decision is made at a point where "like-to-likes" are being compared, random variation has been considered, problems around masking discrimination have been solved, and the probability of Type I and Type II errors are accounted for.

If it is decided that a failure occurred, Bellsouth will pay in those "like-to-like" areas where potential discrimination was detected, based on the magnitude and duration of the failure.

The magnitude of the failure is defined by the departure of the overall test statistic from the balancing critical value; also stated as the Parity Gap. The overall test statistic and balancing critical value are further described in Exhibit C. The magnitude is incremental, maxing out at a parity gap of '4', wherein the CLEC will be paid on 100% of all transactions in that "like-to-like" area.

Failures that occur month-over-month will result in an escalation of the dollar value per transaction, up to month six. Failures that persist after the sixth month will be subject to the dollar amount available at month six. The fee schedule is shown in Exhibit E.

Tier-2 for Retail Analogues

Tier-2 enforcement mechanisms are triggered by three consecutive monthly failures in a quarter for the CLEC Aggregate. These payments are paid directly to the State Commission or designated agency. See Exhibit B for a list of Tier-2 submetrics.

The decision point (regarding the pass or fail status of a measure) is determined by the CLEC Aggregate results of the overall test statistic and balancing critical value when parity is the standard. This decision is made at a point where "like-to-likes" are being compared, random variation has been considered, problems around masking discrimination have been solved, and the probability of Type I and Type II errors are accounted for.

If it is decided that an industry failure occurred, Bellsouth will pay in those "like-to-like" areas where potential discrimination was detected, based on the magnitude of the failure.

The magnitude of the failure is defined by the departure of the overall test statistic from the balancing critical value; also stated as the Parity Gap. The overall test statistic and balancing critical value are further described in Exhibit C. The magnitude is incremental, maxing out at a parity gap of '4', wherein the CLEC will be paid on 100% of all transactions in that "like-to-like" area.

Tier-3 for Retail Analogues

Tier-3 enforcement mechanisms are triggered when Bellsouth consistently fails at the CLEC Aggregate level on any five of the Tier-3 VSEEM measurements in a calendar quarter. Tier-3 consequences are non-monetary, wherein Bellsouth is offering to discontinue marketing of Long Distance in that particular state. See Exhibit B for a list of Tier-3 submetrics.

The decision point (regarding the pass or fail status of a measure) is determined by the CLEC Aggregate results of the overall test statistic and balancing critical value when parity is the standard. This decision is made at a point where "like-to-likes" are being compared, random variation has been considered, problems around masking discrimination have been solved, and the probability of Type I and Type II errors are accounted for.

If it is decided that an industry failure occurred, Bellsouth will discontinue long distance marketing in the harmed state. Bellsouth may begin marketing long distance when two of the five failed submetrics show favorable results for two consecutive months in the following quarter.

Tier-1, Tier-2 and Tier-3 for Benchmark Measurements

Benchmarks have been established for those processes or services for which no retail analogue exists. A minimum activity level is required for benchmark measurement payout; i.e., activity levels less than 5 will not be considered for benchmark remedies. There a two types of benchmarks in the VSEEM III SQM; those in the form of a target, and proportions. The proposed benchmarks are shown in Exhibit B.

The decision point (regarding pass or fail) is determined by the individual CLEC results compared to the established benchmark (Tier-1), and the CLEC Aggregate results compared to the established benchmark (Tiers –2 and –3).

If a failure is detected, Bellsouth will pay on those transactions that exceed the threshold.

The magnitude of the failure is captured in the gap between the actual performance result and the benchmark.

Bellsouth supports AT&Ts solution to handling small sample sizes using benchmark adjustments. However, Bellsouth supports a 95% confidence bound. Table I shows adjustments for CLEC Activity ranging from 5 to 30.

Table I **Small Sample Size Table (95% Confidence)**

Sample Size	Equivalent 90% Benchmark	Equivalent 95% Benchmark
5	60.00%	80.00%
6	66.67%	83.33%
7	71.43%	85.71%
8	75.00%	75.00%
9	66.67%	77.78%
10	70.00%	80.00%
11	72.73%	81.82%
12	75.00%	83.33%
13	76.92%	84.62%
14	78.57%	85.71%
15	73.33%	86.67%

Sample Size	Equivalent 90% Benchmark	Equivalent 95% Benchmark
16	75.00%	87.50%
17	76.47%	82.35%
18	77.78%	83.33%
19	78.95%	84.21%
20	80.00%	85.00%
21	76.19%	85.71%
22	77.27%	86.36%
23	78.26%	86.96%
24	79.17%	87.50%
25	80.00%	88.00%
26	80.77%	88.46%
27	81.48%	88.89%
28	78.57%	89.29%
29	79.31%	86.21%
30	80.00%	86.67%

VSEEM Calculations

Step-by-step procedures for calculating remedy payouts for both standards (parity and benchmarks) can be found in Exhibit D.

VSEEM Monetary Caps

Bellsouth is offering to place $625M dollars at risk for the nine state region. The distribution is shown in the table below:

AL - $54M	**MS - $44M**
FL - $122M	**NC - $77M**
GA - $131M	**SC - $47M**
KY - $34M	**TN - $57M**
LA - $59M	
Regional Total - $625M	

Service Performance Measurements And Enforcement Mechanisms

1. Scope

This Attachment includes Enforcement Measurements with corresponding Enforcement Mechanisms applicable to this Agreement.

2. Reporting

2.1 In providing services pursuant to this Agreement, BellSouth will report its performance to CLEC-1 in accordance with BellSouth's Service Quality Measurements, which are contained in this Attachment as Exhibit A and in accordance with BellSouth's Enforcement Measurements, which are contained in this Attachment as Exhibit B.

2.2 BellSouth will make performance reports available to CLEC-1 on a monthly basis. The reports will contain information collected in each performance category and will be available to CLEC-1 through some electronic medium to be determined by BellSouth. BellSouth will also provide electronic access to the raw data underlying the performance measurements. Within thirty (30) days of execution of this Agreement, BellSouth will provide a detailed session of instruction to CLEC-1 regarding access to the reports and to the raw data as well as the nature of the format of the data provided.

3. Modifications to Measurements

3.1 Service Quality Measurements

3.1.1 BellSouth will update the Service Quality Measurements contained in Exhibit A of this Attachment each calendar quarter. BellSouth will not delete any Service Quality Measurement without prior written consent of CLEC-1. CLEC-1 may provide input to BellSouth regarding any suggested additions, deletions or other modifications to the Service Quality Measurements. BellSouth will provide notice of all changes to the Service Quality Measurements via BellSouth's internet website.

3.1.2 Notwithstanding the foregoing, BellSouth may, from time to time, be ordered by a regulatory or judicial body to modify or amend the Service Quality Measurements. BellSouth will make all such changes to the Service Quality Measurements pursuant to Section ___ of the General Terms and Conditions of this Agreement, incorporated herein by reference.

3.1.3 Notwithstanding any other provision of this Agreement, in the event a dispute arises regarding the modification or amendment of the Service Quality Measurements, the parties will refer the dispute to the Commission.

3.2 Enforcement Measurements and Statistical Test

3.2.1 In order for BellSouth to accurately administer the Enforcement Measurements contained in Exhibit B of this Attachment, the Enforcement Measurements shall be modified or amended only if BellSouth determines such modification or amendment is necessary. However, BellSouth will not delete any Enforcement Measurement without prior written consent of CLEC-1. BellSouth will notify CLEC-1 of any such modification or amendment to the Enforcement Measurements via BellSouth's internet website.

3.2.2 Notwithstanding the foregoing, BellSouth may, from time to time, be ordered by a regulatory or judicial body to modify or amend the Enforcement Measurements and/or Statistical Test. BellSouth will make all such changes to the Enforcement Measurements and/or Statistical Test pursuant to Section ___ of the General Terms and Conditions of this Agreement, incorporated herein by reference.

3.2.3 Notwithstanding any other provision of this Agreement, in the event a dispute arises regarding the modification or amendment of the Enforcement Measurements and/or Statistical Test, the parties will refer the dispute to the Commission.

4. Enforcement Mechanisms

4.1 Purpose

This section establishes meaningful and significant enforcement mechanisms voluntarily provided by BellSouth to verify and maintain compliance between BellSouth and CLEC-1's operations as well as to maintain access to Operational Support System (OSS) functions. This section provides the terms and conditions for such self-effectuating enforcement mechanisms.

4.2 Effective Date

The enforcement mechanisms set forth in this section shall only become effective upon an effective FCC order, which has not been stayed, authorizing BellSouth to provide interLATA telecommunications services under section 271 of the Act within a particular state and shall only apply to BellSouth's performance in any state in which the FCC has granted BellSouth interLATA authority.

4.3 Definitions

4.3.1 Enforcement Measurement Elements means the performance measurements set forth in Exhibit B, attached hereto and incorporated herein by this reference.

4.3.2 Enforcement Measurement Benchmark means a competitive level of performance negotiated by BellSouth used to compare the performance of BellSouth and CLEC-1 where no analogous process, product or service is feasible. See Exhibit B.

4.3.3 Enforcement Measurement Compliance means comparing performance levels provided to BellSouth retail customers with performance levels provided by BellSouth to the CLEC customer, as set forth in Exhibit C, attached hereto and incorporated herein by this reference.

4.3.4 Test Statistic and Balancing Critical Value is the means by which enforcement will be determine using statistically valid equations. See Exhibit C.

4.3.5 Cell is the point (below the wire center level) at which like-to-like comparisons are made. For example, all BellSouth retail POTS services, for residential customers, requiring a dispatch in a particular wire center, at a particular point in time will be compared directly to CLEC-1 resold services for residential customers, requiring a dispatch, in the same wire center, at a particular point in time. When determining compliance, these cells can have a positive or negative value. See Exhibit C.

4.3.6 Affected Volume means that proportion of the total CLEC-1 volume or CLEC Aggregate volume for which remedies will be paid.

4.3.7 Parity Gap refers to the incremental departure from a compliant-level of service. (See Exhibit D). This is also referred to as "diff" in the Statistical paper (See Exhibit C).

4.3.8 Tier-1 Enforcement Mechanisms means self-executing liquidated damages paid directly to CLEC-1 when BellSouth delivers non-compliant performance of any one of the Enforcement Measurement Elements *for* any month as calculated by BellSouth.

4.3.9 Tier-2 Enforcement Mechanisms means Assessments paid directly to a state Public Service Commission ("Commission") or its

designee. Tier 2 Enforcement Mechanisms are triggered by three consecutive monthly failures in a quarter in which BellSouth performance is out of compliance or does not meet the benchmarks for the aggregate of all CLEC data as calculated by BellSouth for a particular Enforcement Measurement Element.

4.3.10 Tier-3 Enforcement Mechanisms means the voluntary suspension of additional marketing and sales of long distance services triggered by excessive repeat failures of those specific submeasures as defined in Exhibit D attached hereto and incorporated herein by this reference.

4.4 Application

4.4.1 The application of the Tier-1, Tier-2, and Tier-3 Enforcement Mechanisms does not foreclose other non-contractual legal and regulatory claims and remedies available to CLEC-1.

4.4.2 Proof of damages resulting from BellSouth's failure to maintain Enforcement Measurement Compliance would be difficult to ascertain and, therefore, liquidated damages are a reasonable approximation of any contractual damage. Liquidated damages under this provision are not intended to be a penalty.

4.5 Methodology

4.5.1 Tier-1 Enforcement Mechanisms will be triggered by BellSouth's failure to achieve Enforcement Measurement Compliance or Enforcement Measurement Benchmarks for the State for a given Enforcement Measurement Element in a given month based upon a test statistic and balancing critical value calculated by BellSouth utilizing BellSouth generated data. The method of calculation is attached hereto as Exhibit D and incorporated herein by this reference.

4.5.1.1 Tier-1 Enforcement Mechanisms apply on a per transaction basis for each negative cell and will escalate based upon the number of consecutive months that BellSouth has reported non-compliance.

4.5.1.2 Fee Schedule for Tier-1 Enforcement Mechanisms is shown in Table-1 attached hereto as Exhibit E and incorporated herein by this reference. Failures beyond Month 6 (as set forth in Table 1) will be subject to Month 6 fees.

4.5.2 Tier-2 Enforcement Mechanisms will be triggered by BellSouth's failure to achieve Enforcement Measurement Compliance or Enforcement

Measurement Benchmarks for the State in a given calendar quarter based upon a statistically valid equation calculated by BellSouth utilizing BellSouth generated data. The method of calculation is attached hereto as Exhibit D and incorporated herein by reference.

4.5.2.1 Tier- 2 Enforcement Mechanisms apply, for an aggregate of all CLEC data generated by BellSouth, on a per transaction basis for each negative cell for a particular Enforcement Measurement Element.

4.5.2.2 Fee Schedule for Total Quarterly Tier-2 Enforcement Mechanisms is show in Table-2 attached hereto as Exhibit E and incorporated herein by this reference.

4.5.3 Tier-3 Enforcement Mechanisms will be triggered by BellSouth's failure to achieve Enforcement Measurement Compliance or Enforcement Measurement Benchmarks for a State in a given calendar quarter. The method of calculation for specified submeasures is identical to the method of calculation for Tier-2 Enforcement Mechanisms as described above. The specific submeasures which are the mechanism for triggering and removing a Tier-3 Enforcement Mechanisms are described in more detail in Exhibit D attached hereto and incorporated herein by this reference.

4.6 Payment of Tier-1 and Tier-2 Amounts

4.6.1 If BellSouth performance triggers an obligation to pay Tier-1 Enforcement Mechanisms to CLEC-1 or an obligation to remit Tier-2 Enforcement Mechanisms to the Commission, BellSouth shall make payment in the required amount on or before the thirtieth (30^{th}) day following the due date of the performance measurement report for the month in which the obligation arose.

4.6.2 For each day after the due date that BellSouth fails to pay CLEC-1 the required amount, BellSouth will pay interest to CLEC-1 at the maximum rate permitted by state law.

4.6.3 For each day after the due date that BellSouth fails to pay the Tier-2 Enforcement Mechanisms, BellSouth will pay the Commission an additional $1,000 per day.

4.6.4 If CLEC-1 disputes the amount paid to CLEC-1 for Tier-1 Enforcement Mechanisms, CLEC-1 shall submit a written claim to BellSouth within sixty (60) days after the date of the performance measurement report for which the obligation arose. BellSouth shall investigate all claims and

provide CLEC-1 written findings within thirty (30) days after receipt of the claim. If BellSouth determines CLEC-1 is owed additional amounts, BellSouth shall pay CLEC-1 such additional amounts within thirty (30) days after its findings along with interest paid at the maximum rate permitted by law.

4.6.5 At the end of each calendar year, BellSouth will have its independent auditing and accounting firm certify that the results of all Tier-1 and Tier-2 Enforcement Mechanisms were paid and accounted for in accordance with Generally Accepted Account Principles (GAAP).

4.7 Limitations of Liability

4.7.1 BellSouth will not be responsible for CLEC-1 acts or omissions that cause performance measures to be missed or fail, including but not limited to accumulation and submission of orders at unreasonable quantities or times or failure to submit accurate orders or inquiries. BellSouth shall provide CLEC-1 with reasonable notice of such acts or omissions and provide CLEC-1 any such supporting documentation.

4.7.2 BellSouth shall not be obligated for Tier-1, Tier-2 or Tier 3 Enforcement Mechanisms for non-compliance with a performance measure if such non-compliance was the result of an act or omission by CLEC-1 that is in bad faith.

4.7.3 BellSouth shall not be obligated to pay Tier-1 Enforcement Mechanisms or Tier-2 Enforcement Mechanism for non-compliance with a performance measurement if such non-compliance was the result of any of the following: a Force Majeure event as set forth in the General Terms and Conditions of this Agreement; an act or omission by CLEC-1 that is contrary to any of its obligations under its Interconnection Agreement with BellSouth; an act or omission by CLEC-1 that is contrary to any of its obligations under the Act, Commission rule, or state law; an act or omission associated with third-party systems or equipment; or any occurrence that results from an incident reasonably related to the Y2K problem.

4.7.4 It is not the intent of the Parties that BellSouth be liable for both Tier-2 Enforcement Mechanisms and any other assessments or sanctions imposed by the Commission. CLEC-1 will not oppose any effort by BellSouth to set off Tier-2 Enforcement Mechanisms from any additional assessment imposed by the Commission.

4.7.5 Payment of any Tier-1 or Tier-2 Enforcement Mechanisms shall not be considered as an admission against interest or an admission of liability or

culpability in any legal, regulatory or other proceeding relating to BellSouth's performance. The payment of any Tier-1 Enforcement Mechanisms to CLEC-1 shall release BellSouth for any liability associated with or related to the service performance measurement for the month for which the Enforcement Mechanisms was paid to CLEC-1.

4.7.6 CLEC-1 acknowledges and argues that the Enforcement Mechanisms contained in this attachment have been provided by BellSouth on a completely voluntary basis in order to maintain compliance between BellSouth and CLEC-1. Therefore, CLEC-1 may not use the existence of this section or any payments of any Tier-1 or Tier-2 Enforcement Mechanisms under this section as evidence that BellSouth has not complied with or has violated any state or federal law or regulation.

4.8 Enforcement Mechanism Caps

4.8.1 BellSouth's liability for the payment of Tier-1 and Tier-2 Enforcement Mechanisms shall be collectively capped at $625M per year for the entire BellSouth region as set forth below.

AL - $54M	MS - $44M
FL - $122M	NC - $77M
GA - $131M	SC - $47M
KY - $34M	TN - $57M
LA - $59M	
Regional Total - $625M	

4.8.2 If BellSouth's liability for the payment of Tier-1 and Tier-2 Enforcement Mechanisms exceed the caps referenced in this attachment, CLEC-1 may commence a proceeding with the Commission to demonstrate why BellSouth should pay any amount in excess of the cap. CLEC-1 shall have the burden of proof to demonstrate why, under the circumstances, BellSouth should have additional liability.

4.9 Dispute Resolution

4.9.1 Notwithstanding any other provision of this Agreement, any dispute regarding BellSouth's performance or obligations pursuant to this Attachment shall be resolved by the Commission.

BellSouth
Service Quality Measurements Performance Reports

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TABLE OF CONTENTS – (continued)

* These reports are subject to change due to regulatory requirements or to correct errors and etc.

OSS (Operations Support Systems

Report/Measurement :	
OSS-1. Average Response Time and Response Interval (Pre-Ordering)	
Definition:	
Average response time and response intervals are the average times and number of requests responded to within certain intervals for accessing legacy data associated with appointment scheduling, service & feature availability, address verification, request for Telephone Numbers (TNs), and Customer Service Records (CSRs).	
Exclusions:	
None	
Business Rules:	
The average response time for retrieving pre-order/order information from a given legacy system is determined by summing the response times for all requests submitted to the legacy during the reporting period and dividing by the total number of legacy requests for that month X 100. The response interval starts when the client application (LENS or TAG for CLECs and RNS for BST) submits a request to the legacy system and ends when the appropriate response is returned to the client application. The number of legacy accesses during the reporting period, which take less than 2.3 seconds and the number, which take more than 6 seconds are also captured.	
Level of Disaggregation:	
• **RSAG – Address** (Regional Street Address Guide- Address) - stores street address information used to validate customer addresses. CLECs and BST query this legacy system. • **RSAG – TN** (Regional Street Address Guide- Telephone Number) - contains information about facilities available and telephone numbers working at a given address. CLECs and BST query this legacy system. • **ATLAS** (Application for Telephone Number Load Administration and Selection) - acts as a warehouse for storing telephone numbers that are available for assignment by the system. It enables CLECs and BST service reps to select and reserve telephone numbers. CLECs and BST query this legacy system. • **COFFI** (Central Office Feature File Interface) - stores information about product and service offerings and availability. CLECs query this legacy system. • **DSAP** (DOE Support Application) - provides due date information. CLECs and BST query this legacy system. • **HAL** (Hands-Off Assignment Logic) - a system used to access the Business Office Customer Record Information System (BOCRIS). It allows BST servers, including LENS, access to legacy systems. CLECs query this legacy system. • **P/SIMS** (Product/Services Inventory Management System) - provides information on capacity, tariffs, inventory and service availability. CLECs query this legacy system. • **OASIS** (Obtain Available Services Information Systems) - Information on feature and rate availability. BST queries this legacy system.	
Calculation:	
Σ[(Date & Time of Legacy Response) – (Date & Time of Request to Legacy)] / (Number of Legacy Requests During the Reporting Period) X 100	
Report Structure:	
• Not CLEC Specific • Not product/service specific • Regional Level	
Data Retained Relating to CLEC Experience:	**Data Retained Relating to BST Performance:**
• Report Month • Legacy Contract (per reporting dimension) • Response Interval • Regional Scope	• Report Month • Legacy Contract (per reporting dimension) • Response Interval • Regional Scope
Retail Analog/Benchmark	
CLEC Average Response Interval is comparable to BST Average Response Interval See Appendix D	

Revision Date: 02/22/00 (lg)

LEGACY SYSTEM ACCESS TIMES FOR RNS

System	Contract	Data	< 2.3 sec	> 6 sec	Avg. Sec	# of Calls
RSAG	RSAG-TN	Address	x	x	x	x
RSAG	RSAG-ADDR	Address	x	x	x	x
ATLAS	ATLAS-TN	TN	x	x	x	x
DSAP	DSAP-DDI	Schedule	x	x	x	x
CRIS	CRSACCTS	CSR	x	x	x	x
OASIS	OASISBSN	Feature/Service	x	x	x	x
OASIS	OASISCAR	Feature/Service	x	x	x	x
OASIS	OASISLPC	Feature/Service	x	x	x	x
OASIS	OASISMTN	Feature/Service	x	x	x	x
OASIS	OASISBIG	Feature/Service	x	x	x	x

LEGACY SYSTEM ACCESS TIMES FOR LENS

System	Contract	Data	< 2.3 sec	> 6 sec	Avg. Sec	# of Calls
RSAG	RSAG-TN	Address	x	x	x	x
RSAG	RSAG-ADDR	Address	x	x	x	x
ATLAS	ATLAS-TN	TN	x	x	x	x
DSAP	DSAPDDI	Schedule	x	x	x	x
HAL	HAL/CRIS	CSR	x	x	x	x
COFFI	COFFI/USOC	Feature/Service	x	x	x	x
P/SIMS	PSIMS/ORB	Feature/Service	x	x	x	x

LEGACY SYSTEM ACCESS TIMES FOR TAG

System	Contract	Data	< 2.3 sec	> 6 sec	Avg. Sec	# of Calls
RSAG	RSAG-TN	Address	x	x	x	x
RSAG	RSAG-ADDR	Address	x	x	x	x
ATLAS	ATLASTN	TN	x	x	x	x
DSAP	DSAPDDI	Schedule	x	x	x	x
HAL	HAL/CRIS	CSR	x	x	x	x
CRIS	CRSEINIT	CSR	x	x	x	x
CRIS	CRSECSR	CSR	x	x	x	x

Revision Date: 08/10/99 (lg)

OSS (Operations Support Systems

Report/Measurement:	
OSS-2. Interface Availability (Pre-Ordering)	
Definition:	
Percent of time OSS interface is functionally available compared to scheduled availability. Availability percentages for CLEC interface systems and for all Legacy systems accessed by them are captured	
Exclusions:	
None	
Business Rules:	
This measurement captures the availability percentages for the BST systems, which are used by CLECs during Pre-Ordering functions. Comparison to BST results allow conclusions as to whether an equal opportunity exists for the CLEC to deliver a comparable customer experience.	
Level of Disaggregation:	
Regional Level	
Calculation:	
(Functional Availability) / (Scheduled Availability) X 100	
Report Structure:	
• Not CLEC Specific • Not product/service specific • Regional Level	
Data Retained Relating to CLEC Experience	**Data Retained Relating to BST Experience**
• Report Month • Legacy contract type (per reporting dimension) • Regional Scope • Hours of Downtime	• Report Month • Legacy contract type (per reprorting dimension) • Regional Scope
Retail Analog/Benchmark:	
Benchmark – 99.5%	

OSS Interface Availability

OSS Interface	Applicable to	% Availability
LENS	CLEC	x
LEO Mainframe	CLEC	x
LEO UNIX	CLEC	x
LESOG	CLEC	x
EDI	CLEC	x
HAL	CLEC	x
BOCRIS	CLEC/BST	x
ATLAS/COFFI	CLEC/BST	x
RSAG/DSAP	CLEC/BST	x
SOCS	CLEC/BST	x
TAG	CLEC	x

Revision Date: 02/22/00 (lg)

OSS (Operations Support Systems

Report/Measurement:	
OSS-3. Interface Availability (Maintenance & Repair)	
Definition:	
The percentage of time the OSS Interface is functionally available compared to scheduled availability. Availability percentage for the CLEC and BST interface systems and for the legacy systems accessed by them are captured.	
Exclusions:	
None	
Business Rules:	
This measure is designed to compare the OSS availability versus scheduled availability of BST's legacy systems.	
Calculation:	
OSS Interface Availability = (Actual System Functional Availability) / (Actual planned System Availability) X 100	
Report Structure:	
• CLEC Aggregate • BST Aggregate • BST/CLEC	
Level of Disaggregation:	
Region	
Data Retained Relating to CLEC Experience	**Data Retained Relating to BST Experience**
• Availability of CLEC TAFI • Availability of LMOS HOST, MARCH, SOCS, CRIS, PREDICTOR, LNP and OSPCM • ECTA (Under Development)	• Availability of BST TAFI • Availability of LMOS HOST, MARCH, SOCS, CRIS, PREDICTOR, LNP and OSPCM
Retail Analog/Benchmark:	
Parity by design; Retail Analog ECTA Benchmark – 99.5%	

OSS Interface Availability (M&R)

OSS Interface	% Availability
BST TAFI	x
CLEC TAFI	x
CLEC ECTA (under development)	
BST and CLEC	x
CRIS	x
LMOS HOST	x
LNP	x
MARCH	x
OSPCM	x
PREDICTOR	x
SOCS	x

Revision Date: 02/22/00 (see)

OSS (Operations Support Systems)

Report/Measurement:	
OSS-4. Response Interval (Maintenance & Repair)	
Definition:	
The response intervals are determined by subtracting the time a request is received on the BST side of the interface until the response is received from the legacy system. Percentages of requests falling into each interval category are reported, along with the actual number of requests falling into those categories.	
Exclusions:	
None	
Business Rules:	
This measure is designed to monitor the time required for the CLEC and BST interface system to obtain from BST's legacy systems the information required to handle maintenance and repair functions. The clock starts on the date and time when the request is received and the clock stops when the response has been transmitted through that same point to the requester. **NOTE:** The OSS Response Interval BST Total Report Is a BST Residence and Business Total.	
Calculation:	
OSS Response Interval = (Query Response Date and Time for Category "X") - (Query Request Date and Time for Category "X") / (Number of Queries Submitted in the Reporting Period) where, "X" is 0-4, $\geq$ 4 to 10, $\geq$ 10, $\geq$ 30 seconds.	
Report Structure:	
• CLEC • BST Residence • BST Business by interface for each legacy system and function as appropriate. • BST Total (Business + Residence)	
Level of Disaggregation:	
Region	
Data Retained Relating to CLEC Experience	**Data Retained Relating to BST Experience**
• CLEC Transaction Intervals	• BST Business and Residence transaction Intervals
Retail Analog/Benchmark:	
OSS Response Interval for CLEC's is comparable to OSS Response Interval for BST.	

System	BST & CLEC	Count < = 4	Count > 4, < = 10	Count <=10	Count >10	Count >30
CRIS	x	x	x	x	x	x
DLETH	x	x	x	x	x	x
DLR	x	x	x	x	x	x
LMOS	x	x	x	x	x	x
LMOSupd	x	x	x	x	x	x
LNP	x	x	x	x	x	x
MARCH	x	x	x	x	x	x
OSPCM	x	x	x	x	x	x
Predictor	x	x	x	x	x	x
SOCS	x	x	x	x	x	x
NIW	x	x	x	x	x	x

Revision Date: 02/22/00 (see)

ORDERING

Report/Measurement:

O-1. Percent Flow-Through Service Requests (Summary)

Definition:

The percentage of Local Service Requests (LSR) and LNP Local Service Requests (LNP LSRs) submitted electronically via the CLEC mechanized ordering process that flow through and reach a status for a FOC to be issued, without manual intervention.

Exclusions:

- Fatal Rejects
- Auto Clarification
- Manual Fallout
- CLEC System Fallout

Business Rules:

The CLEC mechanized ordering process includes all LSRs, including supplements (subsequent versions) which are submitted through one of the three gateway interfaces (TAG, EDI, and LENS), that flow through and reach a status for a FOC to be issued, without manual intervention. These LSRs can be divided into two classes of service; Business and Residence, and two types of service; Resale, and Unbundled Network Elements (UNE). The CLEC mechanized ordering process does not include LSRs, which are, submitted manually (e.g., fax, and courier), or are not designed to flow through, i.e., Manual Fallout.

Definitions:

Fatal Rejects: Errors that prevent an LSR, submitted by the CLEC, from being processed further. When an LSR is submitted by a CLEC, LEO/LNP Gateway will perform edit checks to ensure the data received is correctly formatted and complete. For example, if the PON field contains an invalid character, LEO/LNP Gateway will reject the LSR and the CLEC will receive a Fatal Reject.

Auto-Clarification: errors that occur due to invalid data within the LSR. LESOG/LAUTO will perform data validity checks to ensure the data within the LSR is correct and valid. For example, if the address on the LSR is not valid according to RSAG, or if the LNP is not available for the NPA NXX requested, the CLEC will receive an Auto-Clarification.

Manual Fallout: Planned Fallout that occur by design. Certain LSRs are designed to fallout of the Mechanized Order Process due to their complexity. These LSRs are manually processed by the LCSC. When a CLEC submits an LSR, LESOG/LAUTO will determine if the LSR should be forwarded to LCSC for manual handling. Following are the categories for Manual Fallout:

1. Complex*
2. Expedites (requested by the CLEC)
3. Special pricing plans
4. Denials-restore and conversion, or disconnect and conversion orders
5. Partial migrations
6. Class of service invalid in certain states with some types of service
7. New telephone number not yet posted to BOCRIS
8. Low volume such as activity type "T" (move)
9. Pending order review required
10. More than 25 business lines
11. Restore or suspend for UNE combos
12. Transfer of calls option for the CLEC's end users
13. CSR inaccuracies such as invalid or missing CSR data in CRIS

*Attached is a list of services, including complex services, and whether LSRs issued for the services are eligible to flow through.

Total System Fallout: Errors that require manual review by the LCSC to determine if the error is caused by the CLEC, or is due to system functionality. If it is determined the error is caused by the CLEC, the LSR will be sent back to the CLEC as clarification. If it is determined the error is BST caused, the LCSC representative will correct the error, and the LSR will continue to be processed.

ORDERING – (Percent Flow Through Service Requests (Summary) – Continued)

Calculation:

Percent Flow Through = (The total number of LSRs that flow through LESOG/LAUTO and reach a status for a FOC to be issued) / (the number of LSRs passed from LEO/LNP Gateway to LESOG/LAUTO) – Σ[(the number of LSRs that fall out for manual processing) + (the number of LSRs that are returned to the CLEC for clarification) + (the number of LSRs that contain errors made by CLECs)] X 100.

Report Structure:

- CLEC Aggregate
  - Region

Level of Disaggregation:

- Geography
  - Region
- Product
  - Residence
  - Business
  - UNE
  - LNP

Data Retained Relating to CLEC Experience	Data Retained Relating to BST Experience
• Report month • Total number of LSRs received, by interface, by CLEC: ➢ TAG ➢ EDI ➢ LENS • Total number of errors by type, by CLEC: ➢ Fatal rejects ➢ Auto clarification ➢ CLEC caused system fallout • Total number of errors by error code • Total fallout for manual processing	• Report month • Total number of errors by type: ➢ BST system error

Retail Analog/Benchmark:

Residence 90%
Business 80%
UNE 80%

Revision Date: 02/22/00 (tm)

ORDERING

Report/Measurement:

O-2. Percent Flow-Through Service Requests (Detail)

Definition:

A detailed list by CLEC of the percentage of Local Service Requests (LSR) and LNP Local Service Requests (LNP LSRs) submitted electronically via the CLEC mechanized ordering process that flow through and reach a status for a FOC to be issued, without manual or human intervention.

Exclusions:

- Fatal Rejects
- Auto Clarification
- Manual Fallout
- CLEC System Fallout

Business Rules:

The CLEC mechanized ordering process includes all LSRs, including supplements (subsequent versions) which are submitted through one of the three gateway interfaces (TAG, EDI, and LENS), that flow through and reach a status for a FOC to be issued, without manual intervention. These LSRs can be divided into two classes of service; Business and Residence, and three types of service; Resale, and Unbundled Network Elements (UNE) and specials. The CLEC mechanized ordering process does not include LSRs, which are, submitted manually (e.g., fax, and courier), or are not designed to flow through, i.e., Manual Fallout.

Definitions:

Fatal Rejects: Errors that prevent an LSR, submitted by the CLEC, from being processed further. When an LSR is submitted by a CLEC, LEO/LNP Gateway will perform edit checks to ensure the data received is correctly formatted and complete. For example, if the PON field contains an invalid character, LEO/LNP Gateway will reject the LSR and the CLEC will receive a Fatal Reject.

Auto-Clarification: errors that occur due to invalid data within the LSR. LESOG/LAUTO will perform data validity checks to ensure the data within the LSR is correct and valid. For example, if the address on the LSR is not valid according to RSAG, or if the LNP is not available for the NPA NXX requested, the CLEC will receive an Auto-Clarification.

Manual Fallout: Planned Fallout that occur by design. Certain LSRs are designed to fallout of the Mechanized Order Process due to their complexity. These LSRs are manually processed by the LCSC. When a CLEC submits an LSR, LESOG/LAUTO will determine if the LSR should be forwarded to LCSC for manual handling. Following are the categories for Manual Fallout:

1. Complex services*
2. Expedites (requested by the CLEC)
3. Special pricing plans
4. Denials-restore and conversion, or disconnect and conversion orders
5. Partial migrations
6. Class of service invalid in certain states with some types of service
7. New telephone number not yet posted to BOCRIS
8. Low volume such as activity type "T" (move)
9. Pending order review required
10. More than 25 business lines
11. Restore or suspend for UNE combos
12. Transfer of calls option for the CLEC's end users
13. CSR inaccuracies such as invalid or missing CSR data in CRIS

*Attached is a list of services, including complex services, and whether LSRs issued for the services are eligible to flow through.

Total System Fallout: Errors that require manual review by the LCSC to determine if the error is caused by the CLEC, or is due to system functionality. If it is determined the error is caused by the CLEC, the LSR will be sent back to the CLEC as clarification. If it is determined the error is BST caused, the LCSC representative will correct the error, and the LSR will continue to be processed.

ORDERING – (Percent Flow Through Service Requests (Detail) – Continued)

Calculation:

Percent Flow Through = The total number of LSRs that flow through LESOG/LAUTO and reach a status for a FOC to be issued / (the number of LSRs passed from LEO/LNP Gateway to LESOG/LAUTO) – Σ[(the number of LSRs that fall out for manual processing + the number of LSRs that are returned to the CLEC for clarification + the number of LSRs that contain errors made by CLECs)] X 100.

Report Structure:

- Provides the flow through percentage for each CLEC (by alias designation) submitting LSRs through the CLEC mechanized ordering process. The report provides the following:
  - CLEC (by alias designation)
  - Number of fatal rejects
  - Mechanized interface used
  - Total mechanized LSRs
  - Total manual fallout
  - Number of auto clarifications returned to CLEC
  - Number of validated LSRs
  - Number of BST caused fallout
  - Number of CLEC caused fallout
  - Number of Service Orders Issued
  - Base calculation
  - CLEC error excluded calculation

Level of Disaggregation:

- CLEC Specific (by alias designation to protect CLEC specific proprietary data)
- Geographic:
  - Region
- Product
  - Residence
  - Business
  - UNE
  - LNP

Data Retained Relating to CLEC Experience	Data Retained Relating to BST Experience

• Report month
• Total number of LSRs received, by interface, by CLEC
  ➢ TAG
  ➢ EDI
  ➢ LENS
• Total number of errors by type, by CLEC
  ➢ Fatal rejects
  ➢ Auto clarification
  ➢ CLEC errors
• Total number of errors by error code
• Total fallout for manual processing
	• Report month
	• Total number of errors by type:
	  ➢ BST system error

Retail Analog/Benchmark:

Residence 90%
Business 80%
UNE 80%

Revision Date: 02/22/00 (tm)

ORDERING

Report/Measurement:
O-3. Flow-Through Error Analysis
Definition:
An analysis of each error type (by error code) that was experienced by the LSRs that did not flow through and reach a status for a FOC to be issued.
Exclusions:
Each Error Analysis is error code specific; therefore exclusions are not applicable.
Business Rules:
The CLEC mechanized ordering process includes all LSRs, including supplements (subsequent versions) which are submitted through one of the three gateway interfaces (TAG, EDI, and LENS), that flow through and reach a status for a FOC to be issued. The CLEC mechanized ordering process does not include LSRs, which are, submitted manually (e.g., fax, and courier).
Calculation:
Σ Of errors by type
Report Structure:
• Provides an analysis of each error type (by error code). The report is in descending order by count of each error code and provides the following: ➢ Error Type (by error code) ➢ Count of each error type ➢ Percent of each error type ➢ Cumulative percent ➢ Error Description ➢ CLEC Caused Count of each error code ➢ Percent of aggregate by CLEC caused count ➢ Percent of CLEC by CLEC caused count ➢ BST Caused Count of each error code ➢ Percent of aggregate by BST caused count ➢ Percent of BST by BST caused count
Level of Disaggregation:
Region

Data Retained Relating to CLEC Experience	Data Retained Relating to BST Experience
• Report month • Total number of LSRs received • Total number of errors by type (by error code) ➢ CLEC caused error	• Report month • Total number of errors by type (by error code) ➢ BST system error

Retail Analog/Benchmark:
Not Applicable

Revision Date: 02/22/00 (tm)

BellSouth
Service Quality Measurements Performance Reports

LSR Flow-Through Matrix

PRODUCT	F/T	COMPLEX SERVICE	COMPLEX ORDER	PLANNED FALLOUT FOR MANUAL HANDLING [1]	EDI	TAG [2]	LENS 99 [4]	LENS [3]	COMMENTS
2 wire analog DID trunk port	No [5]	UNE	Yes	Yes	N	N	N	N	
2 wire analog port	Yes	UNE	No	No	Y	Y	N	N	
2 wire ISDN digital line side port	No	UNE	Yes	Yes	N	N	N	N	
2 wire ISDN digital loop	No	UNE	Yes	NA	Y	Y	N	N	
3 Way Calling	Yes	No	No	NA	Y	Y	Y	Y	
4 wire analog voice grade loop	Yes	UNE	Yes	NA	Y	Y	N	N	
4 wire DS0 & PRI digital loop	No	UNE	Yes	Yes	N	N	N	N	
4 wire DS1 & PRI digital loop	No	UNE	Yes	Yes	N	N	N	N	
4 wire ISDN DSI digital trunk ports	No	UNE	Yes	Yes	N	N	N	N	
Accupulse	No	Yes	Yes	NA	N	N	N	N	
ADSL	No	UNE	Yes	Yes	N	N	N	N	
Area Plus	Yes	No	No	No	Y	Y	Y	Y	
Basic Rate ISDN	No	Yes	Yes	Yes	Y	Y	N	N	
Call Block	Yes	No	No	No	Y	Y	Y	Y	
Call Forwarding-Variable	Yes	No	No	No	Y	Y	Y	Y	
Call Return	Yes	No	No	No	Y	Y	Y	Y	
Call Selector	Yes	No	No	No	Y	Y	Y	Y	
Call Tracing	Yes	No	No	No	Y	Y	Y	Y	
Call Waiting	Yes	No	No	No	Y	Y	Y	Y	
Call Waiting Deluxe	Yes	No	No	No	Y	Y	Y	Y	
Caller ID	Yes	No	No	No	Y	Y	Y	Y	
CENTREX	No	Yes	Yes	NA	N	N	N	N	
DID WITH PBX ACT W	No	Yes	Yes	Yes	Y	N	Y	N	
DID ACT W	No	Yes	Yes	Yes	Y	N	Y	N	
Digital Data Transport	No	UNE	Yes	NA	N	N	N	N	
Directory Listing Indentions	No	No	No	Yes	Y	Y	Y	Y	
Directory Listings Captions	No	No	Yes	Yes	Y	Y	Y	N	
Directory Listings (simple)	Yes	No	No	No	Y	Y	Y	Y	

DS3	No	UNE	Yes	NA	N	N	N	N	
DS1 Loop	Yes	UNE	Yes	Yes	Y	Y	N	N	
DSO Loop	Yes	UNE	Yes	Yes	Y	Y	N	N	
Enhanced Caller ID	Yes	No	No	No	Y	Y	Y	Y	
ESSX	No	Yes	Yes	NA	N	N	N	N	
Flat Rate/Business	Yes	No	No	No	Y	Y	Y	Y	
Flat Rate/Residence	Yes	No	No	No	Y	Y	Y	Y	
FLEXSERV	No	Yes	Yes	NA	N	N	N	N	
Frame Relay	No	Yes	Yes	NA	N	N	N	N	
FX	No	Yes	Yes	NA	N	N	N	N	
Ga. Community Calling	Yes	No	No	No	Y	Y	Y	Y	
HDSL	No	UNE	Yes	NA	N	N	N	N	
Hunting MLH	No	C/S [6]	C/S	Yes	Y	Y	N	N	
Hunting Series Completion DM10	No	C/S	C/S	Yes	Y	Y	Y	Y	
Hunting Series Completion	No	C/S	C/S	Yes	Y	Y	Y	Y	
INP RECTYPE B	Yes	UNE	No	No	Y	Y	N	N	
INP RECTYPE C	Yes	UNE	No	No	Y	Y	N	N	
LightGate	No	Yes	Yes	NA	N	N	N	N	
Local Number Portability	Yes	UNE	Yes	No	Y	Y	N	N	Yes - LENS, April 2000
LNP with Complex Listing	No	UNE	Yes	Yes	Y	Y	N	N	
LNP with Partial Migration	No	UNE	Yes	Yes	Y	Y	N	N	
LNP with Complex Services	No	UNE	Yes	Yes	Y	Y	N	N	
INP to LNP Conversions	No	UNE	Yes	Yes	Y	Y	N	N	
Measured Rate/Bus.	Yes	No	No	No	Y	Y	Y	Y	
Measured Rate/Res.	Yes	No	No	No	Y	Y	Y	Y	
Megalink	No	Yes	Yes	NA	N	N	N	N	
Megalink-T1	No	Yes	Yes	NA	N	N	N	N	
Memory Call	Yes	No	No	No	Y	Y	Y	Y	
Memory Call Ans. Svc.	Yes	No	No	No	Y	Y	Y	Y	
Multiserv	No	Yes	Yes	NA	N	N	N	N	
Native Mode LAN Interconnection (NMLI)	No	Yes	Yes	NA	N	N	N	N	
Off-Prem Stations	No	Yes	Yes	NA	N	N	N	N	
Optional Calling Plan	Yes	No	No	No	Y	Y	Y	Y	
Package/Complete Choice and area plus	Yes	No	No	No	Y	Y	Y	Y	

Pathlink Primary Rate ISDN	No	Yes	Yes	NA	N	N	N	N	
Pay Phone Provider	No	No	No	NA	N	N	N	N	
PBX Standalone ACT A,C, D	No	Yes	Yes	Yes	Y	Y	Y	N	
PBX Trunks	No	Yes	Yes	Yes	Y	Y	Y	N	
Port/Loop Combo	Yes	UNE	No	N	Y	Y	N	N	Yes - LENS, April 2000
Port/Loop PBX	No	No	No	Yes	Y	Y	N	N	
Preferred Call Forward	Yes	No	No	No	Y	Y	Y	Y	
RCF Basic	Yes	No	No	NA	N	N	N	N	
Remote Access to CF	Yes	No	No	No	Y	Y	Y	Y	
Repeat Dialing	Yes	No	No	No	Y	Y	Y	Y	
Ringmaster	Yes	No	No	No	Y	Y	Y	N	
Smartpath	No	Yes	Yes	NA	N	N	N	N	
SmartRING	No	Yes	Yes	NA	N	N	N	N	
Speed Calling	Yes	No	No	No	Y	Y	Y	Y	
Synchronet	No	Yes	Yes	NA	Y	Y	N	N	
Tie Lines	No	Yes	Yes	NA	N	N	N	N	
Touchtone	Yes	No	No	No	Y	Y	Y	Y	
Unbundled Loop-Analog 2W, SL1, SL2	Yes	UNE	No	No	Y	Y	N	N	Yes - LENS, April 2000
WATS	No	Yes	Yes	NA	N	N	N	N	
XDSL Extended LOOP	No	UNE	Yes	NA	N	N	N	N	

Note [1]: Planned Fallout for Manual Handling denotes those services that are electronically submitted and are not intended to flow through due to the complexity of the service.

Note [2]: The TAG column includes those LSR submitted via RoboTAG.

Note [3]: The LENS column denotes the ordering status of services prior to OSS 99.

Note [4]: The LENS 99 column denotes the ordering status of services post OSS 99.

Note [5]: For all services that indicate 'No' for flow-through, the following reasons, in addition to errors or complex services, also prompt manual handling: Expedites from CLECs, special pricing plans, for denials – restore and conversion or disconnect and conversion both required, partial migrations (although conversions-as-is flow through), class of service invalid in certain states with some TOS – e.g. gov't, or cannot be changed when changing main TN on C activity, low volume – e.g. activity type T=move, pending order review required, more than 25 business lines, restore or suspend for UNE combos, transfer of calls option for CLEC end user— new TN not yet posted to BOCRIS. All but the last one are unique to the CLEC environment.									
Note [6]: Services with C/S in the Complex Service and/or the Complex Order columns can be either complex or simple									

ORDERING

Report/Measurement:

O-4. Percent Rejected Service Requests

Definition:

Percent Rejected Service Request is the percent of total Local Service Requests (LSRs) received which are rejected due to error or omission. An LSR is considered valid when it is submitted by the CLEC and passes edit checks to insure the data received is correctly formatted and complete.

Exclusions:

Service Requests canceled by the CLEC prior to being rejected/clarified.

Business Rules:

Fully Mechanized: An LSR is considered "rejected" when it is submitted electronically but does not pass LEO edit checks in the ordering systems (EDI, TAG, LEO, LESOG) and is returned to the CLEC without manual intervention. There are two types of "Rejects" in the Mechanized category:

- A Fatal Reject occurs when a CLEC attempts to electronically submit an LSR but required fields are either not populated or incorrectly populated and the request is returned to the CLEC before it is considered a valid LSR. In LEO, Fatal Rejects are included in the "Other" category for Regional reports only.

- An Auto Clarification occurs when a valid LSR is electronically submitted but rejected from LESOG because it does not pass further edit checks for order accuracy.

Partially Mechanized: A valid LSR, which is electronically submitted (via EDI, LENS, TAG) cannot be processed electronically and "falls out" for manual handling. It is then put into "clarification" and (rejected) sent back to the CLEC.

Total Mechanized: Combination of Fully Mechanized and Partially Mechanized LSRs which were electronically submitted by the CLEC.

Non Mechanized: LSRs which are faxed or mailed to the LCSC for processing and is "clarified" (rejected) back to the CLEC by the BST service representative.

Calculation:

Percent Rejected Service Requests = (Total Number of Rejected Service Requests in the reporting period) / (Total Number of Service Requests Received in the reporting period) X 100.

Report Structure:

- Fully Mechanized, Partially Mechanized, Total Mechanized, Non-Mechanized
- CLEC Specific
- CLEC Aggregate

Level of Disaggregation:

- Product Reporting Levels
  - Resale Residence
  - Resale Business
  - Resale - Design (Special)
  - UNE
  - UNE Loop with NP
  - Interconnection Trunks
- Geographic Scope
  - State, Region and further geographic disaggregation as required by State Commission Order
- Mechanized: 0-4 minutes, 4-8 minutes, 8-12 minutes, 12-60 minutes, 0-1 hour, 1-8 hours, 8-24 hours, > 24 hours.
- Non-mechanized: 0-1 hour, 1-4 hours, 4-8 hours, 8-12 hours, 12-16 hours, 16-20 hours, 20-24 hours > 24 hours.
- Average Interval for mechanized reports in hours, non-mechanized and Trunk reports in days.
- Trunks: < 5days, > 5-8 days, > 8-12 days, > 12-14 days, > 14-17 days, > 17-20 days, > 20 days.

ORDERING - Percent Rejected Service Requests – Continued)

Data Retained Relating to CLEC Experience:	Data Retained Relating to BST Performance:
• Report Month • Total number of LSRs • Total number of Rejects • Total Number of Errors • State and Region • Total Number of ASRs (Trunks)	
Retail Analog/Benchmark:	
See Appendix D	

Revision Date: 02/22/00 (lg)

ORDERING

Report/Measurement:
O-5. Reject Interval
Definition:
Reject Interval is the average reject time from receipt of an LSR to the distribution of a Reject. An LSR is considered valid when it is submitted by the CLEC and passes LEO edit checks to insure the data received is correctly formatted and complete.
Exclusions:
Service Requests canceled by CLEC prior to being rejected/clarified.
Business Rules:
• **Fully Mechanized**: The elapsed time from receipt of a valid electronically submitted LSR (date and time stamp in EDI, LENS or TAG) until the LSR is rejected (date and time stamp of reject in LEO). Auto Clarifications are considered in the Fully Mechanized category. • **Partially Mechanized:** The elapsed time from receipt of a valid electronically submitted LSR (date and time stamp in EDI, LENS or TAG) until it falls out for manual handling. The stop time on partially mechanized LSRs is when the LCSC Service Representative clarifies the LSR back to the CLEC via LEO. • **Total Mechanized:** Combination of Fully Mechanized and Partially Mechanized LSRs which are electronically submitted by the CLEC. • **Non-Mechanized**: The elapsed time from receipt of a valid LSR (date and time stamp of FAX or date and time mailed LSR is received in the LCSC) until notice of the reject is (clarification) returned to the CLEC via LON.
Calculation:
Reject Interval = Σ[(Date and Time of Service Request Rejection) – (Date and Time of Service Request Receipt)] / (Number of Service Requests Rejected in Reporting Period)
Report Structure:
• CLEC Specific • CLEC Aggregate • Fully Mechanized, Partially Mechanized, Total Mechanized, Non-Mechanized, Trunks
Level of Disaggregation:
• Product Reporting Levels ➢ Resale – Residence ➢ Resale – Business ➢ Resale – Design (Special) ➢ UNE ➢ UNE Loop with and NP ➢ .Interconnection Trunks • Geographic Scope ➢ State, Region and further geographic disaggregation as required by State Commission Order • Mechanized: 0-4 minutes, 4-8 minutes, 8-12 minutes, 12-60 minutes, 0-1 hour 1-8 hours, 8-24 hours, >24 hours. • Non-mechanized: 0-1 hour, 1-4 hours, 4-8 hours, 8-12 hours, 12-16 hours, 16-20 hours, 20-24 hours >24 hours • Trunks: < 5 days, > 5-8 days, > 8-12 days, > 12-14 days, > 14-17 days, > 17-20 days, > 20 days • Average Interval for mechanized reports in hours, non-mechanized and Trunk reports in days.

ORDERING – (Reject Interval – Continued)

Data Retained Relating to CLEC Experience:	Data Retained Relating to BST Performance:
• Report Month • Reject Interval • Total Number of LSRs • Total number of Rejects • State and Region • Total Number of ASRs (Trunks)	
Retail Analog/Benchmark:	
See Appendix D	

Revision Date: 01/02/00(lg)

ORDERING

Report/Measurement:

O-6. Firm Order Confirmation Timeliness

Definition:

Interval for Return of a Firm Order Confirmation (FOC Interval) is the average response time from receipt of valid LSR to distribution of a firm order confirmation.

Exclusions:

- Rejected LSRs
- Partially Mechanized or Non-Mechanized LSRs received and/or FOCd outside of normal business hours.

Business Rules:

- **Fully Mechanized**: The elapsed time from receipt of a valid electronically submitted LSR (date and time stamp in LENS, EDI, TAG) until the LSR is processed, appropriate service orders are generated and a Firm Order confirmation is returned to the CLEC.
- **Partially Mechanized:** The elapsed time from receipt of a valid electronically submitted LSR which falls out for manual handling until appropriate service orders are issued by a BST service representative via Direct Order Entry (DOE) or Service Order Negotiation Generation System (SONGS) to SOCS and a Firm Order Confirmation is returned to the CLEC.
- **Total Mechanized:** Combination of Fully Mechanized and Partially Mechanized LSRs which were electronically submitted by the CLEC.
- **Non-Mechanized:** The elapsed time from receipt of a valid paper LSR (date and time stamp of FAX or date and time paper LSRs received in LCSC) until appropriate service orders are issued by BST service representative via Direct Order Entry (DOE) or Service Order Negotiation Generation System (SONGS) to SOCS and a Firm Order Confirmation is sent to the CLEC via LON.

Calculation:

Firm Order Confirmation Timeliness = Σ[(Date and Time of Firm Order Confirmation) – (Date and Time of Service Request Receipt)] / (Number of Service Requests Confirmed in Reporting Period)

Report Structure:

- Fully Mechanized, Partially Mechanized, Total Mechanized, Non-Mechanized
- CLEC Specific
- CLEC Aggregate

Level of Disaggregation:

- Product Reporting Levels
  - Resale – Residence
  - Resale – Business
  - Resale – Design (Special)
  - UNE Design
  - UNE Loop with NP
  - Interconnection Trunks
- Geographic Scope
  - State, Region and further geographic disaggregation (MSA) as required by State Commission Order
- Mechanized: 0-15 minutes, 15-30 minutes, 30-45 minutes, 45-60 minutes, 60-90 minutes, 90-120 minutes, 120-240 minutes, 4-8 hours, 8-12 hours, 12-16 hours, 16-20 hours, 20-24 hours, 24-48 hours, > 48 hours.
- Non-mechanized: 0-4 hours, 4-8 hours, 8-12 hours, 12-16 hours, 16-20 hours, 20-24 hours, 24-48 hours, > 48 hours.
- Trunks: 0-5 days, 6-8 days, 9-11 days, 12-14 days, 15-17 days, 18-20 days, >20 days
- < 10 and > 10 Circuits / Lines
- Average Interval in Days

ORDERING - (Firm Order Confirmation Timeliness – Continued)

Data Retained Relating to CLEC Experience:	Data Retained Relating to BST Performance:
• Report Month • Interval for FOC • Total number of LSRs • State and Region • Total Number of ASRs (Trunks)	
Retail Analog/Benchmark:	
See Appendix D	

Revision Date: 02/28/00 (lg)

ORDERING

Report/Measurement:	
O-7. Speed of Answer in Ordering Center	
Definition:	
Measures the average time a customer is in queue.	
Exclusions:	
None	
Business Rules:	
The clock starts when the appropriate option is selected (i.e. 1 for Resale Consumer, 2 for Resale Multiline, and 3 for UNE-LNP, etc.) and the call enters the queue for that particular group in the LCSC. The clock stops when a BST service representative in the LCSC answers the call. The speed of answer is determined by measuring and accumulating the elapsed time from the entry of a CLEC call into the BellSouth automatic call distributor (ACD) until the a service representative in BSTs Local Carrier Service Center (LCSC) answers the CLEC call.	
Calculation:	
(Total time in seconds to reach the LCSC) / (Total Number of Calls) in the Reporting Period.	
Report Structure:	
• CLEC Aggregate • BST Aggregate (Combination of Residence Service Center and Business Service Center data under development)	
Level of Disaggregation:	
• CLEC Aggregate • BST Aggregate (Combination of Residence Service Center and Business Service Center data under development)	
Data Retained Relating to CLEC Experience:	**Data Retained Relating to BST Performance:**
• Mechanized tracking through LCSC Automatic Call Distributor	• Mechanized tracking through BST Retail center support systems
Retail Analog/Benchmark:	
For CLEC, Speed of Answer in Ordering Center (LCSC) is comparable to Speed of Answer in BST Business Offices. See Appendix D	

Revision Date: 02/16/00 (lg)

ORDERING – (LNP)

Report/Measurement:

LNP-8. Percent Rejected Service Requests

Definition:

Percent Rejected Service Request is the percent of total Local Service Requests (LSRs) which are rejected due to error or omission. An LSR is considered valid when it is electronically submitted by the CLEC and passes LNP Gateway edit checks to insure the data received is correctly formatted and complete, i.e., fatal rejects are excluded.

Exclusions:

- Service Requests canceled by the CLEC
- Fatal Rejects
- Order Activities of BST or the CLEC associated with internal or administrative use of local services (Record Orders, Test Orders, etc.) where identifiable.

Business Rules:

An LSR is considered "rejected" when it is submitted electronically but does not pass edit checks in the ordering systems (EDI, TAG, LNP Gateway, LAUTO) and is returned to the CLEC without manual intervention.

Fully Mechanized: There are two types of "Rejects" in the Fully Mechanized category:

- A Fatal Reject occurs when a CLEC attempts to electronically submit an LSR (via EDI or TAG) but required fields are not populated correctly and the request is returned to the CLEC.
  Fatal rejects are reported in a separate column, and for informational purposes ONLY. They are not considered in the calculation of the percent of total LSRs rejected or the total number of rejected LSRs.
- An Auto Clarification is a valid LSR which is electronically submitted (via EDI or TAG), but is rejected from LAUTO because it does not pass further edit checks for order accuracy. Auto Clarifications are returned without manual intervention.

Partially Mechanized: A valid LSR which is electronically submitted (via EDI or TAG), but cannot be processed electronically due to a CLEC error and "falls out" for manual handling. It is then put into "clarification", and sent back to the CLEC.

Total Mechanized: Combination of Fully Mechanized and Partially Mechanized rejects.

Calculation

Percent Rejected Service Requests:
[(Number of Service Requests Rejected in the Reporting Period) / (Number of Service Requests Received in the Reporting Period)] x 100

Report Structure:

- Fully Mechanized, Partially Mechanized, Total Mechanized
- CLEC Specific
- CLEC Aggregate

Level of Disaggregation:

- Product Reporting Levels
  - LNP
  - UNE Loop with LNP
- Geographic Scope
  - .State, Region

Retail Analog/Benchmark:

See Appendix D

Revision Date: 02/16/00 (lg)

ORDERING – (LNP)

Report/Measurement:

LNP-9. Reject Interval Distribution & Average Reject Interval

Definition:

Reject Interval is the average reject time from receipt of an LSR to the distribution of a Reject. An LSR is considered valid when it is electronically submitted by the CLEC and passes LNP Gateway edit checks to insure the data received is correctly formatted and complete, i.e., fatal rejects are excluded.

Exclusions:

- Service Requests canceled by CLEC
- Fatal Rejects
- Order Activities of BST or the CLEC associated with internal or administrative use of local services (Record Orders, Test Orders, etc.) where identifiable.

Business Rules:

The Reject interval is determined for each rejected LSR processed during the reporting period. The Reject interval is the elapsed time from when BST receives LSR until that LSR is rejected back to the CLEC. Elapsed time for each LSR is accumulated for each reporting dimension. The accumulated time for each reporting dimension is then divided by the associated total number of rejected LSRs to produce the reject interval distribution.

An LSR is considered "rejected" when it is submitted electronically but does not pass edit checks in the ordering systems (EDI, TAG, LNP Gateway, LAUTO) and is returned to the CLEC without manual intervention.

Fully Mechanized: There are two types of "Rejects" in the Fully Mechanized category:

- A Fatal Reject occurs when a CLEC attempts to electronically submit an LSR but required fields are not populated correctly and the request is returned to the CLEC.
  Fatal rejects are reported in a separate column, and for informational purposes ONLY. They are not considered in the calculation of the percent of total LSRs rejected or the number of rejected LSRs.
- An Auto Clarification is a valid LSR which is electronically submitted (via EDI or TAG), but rejected from LAUTO because it does not pass further edit checks for order accuracy. Auto Clarifications are returned without manual intervention.

Partially Mechanized: A valid LSR which is electronically submitted (via EDI or TAG), but cannot be processed electronically due to a CLEC error and "falls out" for manual handling. It is then put into "clarification", and sent back to the CLEC.

Total Mechanized: Combination of Fully Mechanized and Partially Mechanized rejects.

Calculation:

Average Reject Interval:
Σ[(Date & Time of Service Request Rejection) - (Date & Time of Service Request Receipt)] / (Total Number of Service Requests Rejected in Reporting Period)

Reject Interval Distribution:
[Σ (Service Requests Rejected in "X" minutes/hours) / (Total Number of Service Requests Rejected in Reporting Period)] X 100

Report Structure:

- Fully Mechanized, Partially Mechanized, Total Mechanized
- CLEC Specific
- CLEC Aggregate

ORDERING – (LNP) - Reject Interval Distribution & Average Reject Interval – Continued)

Level of Disaggregation:
• Reported in intervals = 0 - 4 minutes, 4 - 8 minutes, 8 - 12 minutes, 12 - 60 minutes, 0 - 1 hours, 1 - 8 hours, 8 - 24 hours, >24 hours • Product Reporting Levels ➢ LNP ➢ UNE Loop with LNP • Geographic Scope ➢ .State, Region • Average Interval in Days
Retail Analog/Benchmark:
See Appendix D

Revision Date: 02/16/00 (lg)

ORDERING – (LNP)

Report/Measurement:

LNP-10. Firm Order Confirmation Timeliness Interval Distribution & Firm Order Confirmation Average Interval

Definition:

Interval for Return of a Firm Order Confirmation (FOC Interval) is the average response time from receipt of a valid LSR to distribution of a firm order confirmation.

Exclusions:

- Rejected LSRs (Clarifications or Fatal Rejects)
- Order Activities of BST or the CLEC associated with internal or administrative use of local services (Record Orders, Test Orders, etc.) where identifiable.

Business Rules:

The Firm Order Confirmation interval is determined for each FOC'd LSR processed during the reporting period. The Firm Order Confirmation interval is the elapsed time from when BST receives an LSR until that LSR is confirmed back to the CLEC. Elapsed time for each LSR is accumulated for each reporting dimension. The accumulated time for each reporting dimension is then divided by the associated total number of orders completed to produce the Firm Order Confirmation timeliness interval distribution.

- **Mechanized** - The elapsed time from receipt of a valid LSR until the LSR is processed and appropriate service orders are generated in SOCS without manual intervention.
- **Partially Mechanized** - The elapsed time from receipt of an electronically submitted LSR which falls out for manual handling by the LCSC personnel until appropriate service orders are issued by a BST service representative via Direct Order Entry (DOE) or Service Order Negotiation Generation System (SONGS).
- **Total Mechanized** - Combination of Fully Mechanized and Partially Mechanized FOCs.

Calculation:

Average FOC Interval:

Σ [(Date & Time of Firm Order Confirmation) - (Date & Time of Service Request Receipt)] / (Total number of Service Requests Confirmed in the Reporting Period)

FOC Interval Distribution:

Σ[(Service Requests Confirmed in "X" minutes/hours in the Reporting Period) / (Total Service Requests Confirmed in the Reporting Period)] X 100

Report Structure:

- Fully Mechanized, Partially Mechanized, Total Mechanized
- CLEC Specific
- CLEC Aggregate

Level of Disaggregation:

- Reported in intervals = 0 - 15 minutes, 15 - 30 minutes, 30 - 45 minutes, 45 - 60 minutes, 90 - 120 minutes, 120 - 240 minutes, 4 - 8 hours, 8 - 12 hours, 12 - 16 hours, 16 - 20 hours, 20 - 24 hours, 24 - 48 hours, >48 hours
- Product Reporting Levels
  - LNP
  - UNE Loop with LNP
- Geographic Scope
  - .State, Region

Retail Analog/Benchmark:

See Appendix D

Revision Date: 02/16/00 (lg)

Provisioning Disaggregation

Product Reporting Levels

- Resale and Retail
  - Pots – Residence
  - Pots – Business
  - Design
  - PBX (Louisiana SQM)
  - CENTREX (Louisiana SQM)
  - ISDN (Louisiana SQM) (**NOTE**: ISDN included in POTS for Georgia Only)
  - ESSX (Louisiana SQM)

- Unbundled Network Elements
  - UNE Design
  - UNE Non – Design
  - UNE 2 Wire Loop (Louisiana SQM)
  - UNE Loop Other (Louisiana SQM)
  - Unbundled Ports (Louisiana SQM)

- Trunks
  - Local Interconnection Trunks

- Geographic Scope
  - State, Region and further geographic disaggregation as required by State Commission Order (e.g. Metropolitan Service Area – MSA)

The following measure is the exception for all states:
Coordinated Customer Conversion

Which is disaggregated as follows:
UNE LOOPS with INP
UNE LOOPS without INP

PROVISIONING

Report/Measurement:
P-1. Mean Held Order Interval & Distribution Intervals
Definition:
When delays occur in completing CLEC orders, the average period that CLEC orders are held for BST reasons, pending a delayed completion, should be no worse for the CLEC when compared to BST delayed orders.
Exclusions:
Order Activities of BST associated with internal or administrative use of local services.
Business Rules:
Mean Held Order Interval: This metric is computed at the close of each report period. The held order interval is established by first identifying all orders, at the close of the reporting interval, that both have not been reported as completed in SOCS and have passed the currently committed due date for the order. For each such order, the number of calendar days between the committed due date and the close of the reporting period is established and represents the held order interval for that particular order. The held order interval is accumulated by the standard groupings, unless otherwise noted, and the reason for the order being held. The total number of days accumulated in a category is then divided by the number of held orders within the same category to produce the mean held order interval. The interval is by calendar days with no exclusions for Holidays or Sundays. CLEC Specific reporting is by type of held order (facilities, equipment, other), total number of orders held, and the total and average days. **Held Order Distribution Interval:** This measure provides data to report total days held and identifies these in categories of >15 days and > 90 days. (orders counted in >90 days are also included in >15 days).
Calculation:
Mean Held Order Interval: Σ(Reporting Period Close Date – Committed Order Due Date) / (Number of Orders Pending and Past The Committed Due Date) for all orders pending and past the committed due date. **Held Order Distribution Interval:** (# of Orders Held for ≥90 days) / (Total # of Orders Pending But Not Completed) X 100 (# of Orders Held for ≥15 days) / (Total # of Orders Pending But Not Completed) X 100
Report Structure:
• CLEC Specific • CLEC Aggregate • BST Aggregate
Level of Disaggregation:
Circuit breakout < 10, > = 10

PROVISIONING - Mean Held Order Interval & Distribution Intervals – Continued)

Data Retained Relating to CLEC Experience	Data Retained Relating to BST Experience
• Report Month • CLEC Order Number and PON (PON) • Order Submission Date (TICKET_ID) • Committed Due Date (DD) • Service Type(CLASS_SVC_DESC) • Hold Reason • Total line/circuit count • Geographic Scope **NOTE:** Code in parentheses is the corresponding header found in the raw data file.	• Report Month • BST Order Number • Order Submission Date • Committed Due Date • Service Type • Hold Reason • Total line/circuit count • Geographic Scope
Retail Analog/Benchmark:	
CLEC Residence Resale / BST Residence Retail CLEC Business Resale / BST Business Retail CLEC Non-UNE Design / BST Design Interconnection Trunks-CLEC / Interconnection Trunks –BST UNEs-(See Appendix D)	

Revision Date: 02/24/00 (taf)

PROVISIONING

Report/Measurement:	
P-2. Average Jeopardy Notice Interval & Percentage of Orders Given Jeopardy Notices	
Definition:	
When BST can determine in advance that a committed due date is in jeopardy, it will provide advance notice to the CLEC.	
Exclusions:	
• Orders held for CLEC end user reasons • Orders submitted to BST through non-mechanized methods	
Business Rules:	
When BST can determine in advance that a committed due date is in jeopardy it will provide advance notice to the CLEC. The number of committed orders in a report period is the number of orders that have a due date in the reporting period.	
Calculation:	
Average Jeopardy Interval = Σ [(Date and Time of Scheduled Due Date on Service Order) - (Date and Time of Jeopardy Notice)]/[Number of Orders Notified of Jeopardy in Reporting Period). **Percent of Orders Given Jeopardy Notice** = Σ [(Number of Orders Given Jeopardy Notices in Reporting Period) / (Number of Orders Confirmed (due) in Reporting Period)	
Report Structure:	
• CLEC Specific • CLEC Aggregate • BST Aggregate	
Data Retained Relating to CLEC Experience	**Data Retained Relating to BST Experience**
• Report Month • CLEC Order Number and PON • Date and Time Jeopardy Notice sent • Committed Due Date • Service Type **NOTE:** Code in parentheses is the corresponding header found in the raw data file.	• Report Month • BST Order Number • Date and Time Jeopardy Notice sent • Committed Due Date • Service type
Retail Analog/Benchmark:	
95% > = 24 hours	

Revision Date: 01/05/00 (taf)

PROVISIONING

Report/Measurement:

P-3. Percent Missed Installation Appointments

Definition:

"Percent missed installation appointments" monitors the reliability of BST commitments with respect to committed due dates to assure that CLECs can reliably quote expected due dates to their retail customer as compared to BST.

Exclusions:

- Canceled Service Orders
- Order Activities of BST or the CLEC associated with internal or administrative use of local services (Record Orders, Test Orders, etc.)
- Disconnect (D) & From (F) orders
- End User Misses on Interconnection Trunks

Business Rules:

Percent Missed Installation Appointments is the percentage of total orders processed for which BST is unable to complete the service orders on the confirmed due dates. Missed Appointments caused by end-user reasons will be included and reported separately. A business day is any time period within the same date frame, which means there cannot be a cutoff time for commitments as certain types of orders are requested to be worked after standard business hours. Also, during Daylight Savings Time, field technicians are scheduled until 9PM in some areas and the customer is offered a greater range of intervals from which to select.

Calculation:

Percent Missed Installation Appointments = Σ (Number of Orders Not Complete by Committed Due Date in Reporting Period) / (Number of Orders Confirmed in Reporting Period) X 100

Report Structure:

- CLEC Specific
- CLEC Aggregate
- BST Aggregate

Report explanation: The difference between End User MA and Total MA is the result of BST caused misses. Here, Total MA is the total % of orders missed either by BST or CLEC end user. The End User MA represents the percentage of orders missed by the CLEC or their end user.

Level of Disaggregation:

- Reported in categories of <10 lines/circuits; > = 10 lines/circuits
- Dispatch/No Dispatch

Data Retained Relating to CLEC Experience	Data Retained Relating to BST Experience
• Report Month • CLEC Order Number and PON (PON) • Committed Due Date (DD) • Completion Date (CMPLTN DD) • Status Type • Status Notice Date • Standard Order Activity • Geographic Scope **NOTE:** Code in parentheses is the corresponding header found in the raw data file.	• Report Month • BST Order Number • Committed Due Date (DD) • Completion Date (CMPLTN DD) • Status Type • Status Notice Date • Standard Order Activity • Geographic Scope

Retail Analog/Benchmark:
CLEC Residence Resale / BST Residence Retail
CLEC Business Resale / BST Business Retail
CLEC Non-UNE Design / BST Design
Interconnection Trunks-CLEC / Interconnection Trunks –BST
UNEs-(See Appendix D)

Revision Date: 02/28/00 (taf)

PROVISIONING

Report/Measurement :
P-4. Average Completion Interval (OCI) & Order Completion Interval Distribution
Definition:
The "average completion interval" measure monitors the interval of time it takes BST to provide service for the CLEC or its' own customers. The "Order Completion Interval Distribution" provides the percentage of orders completed within certain time periods.
Exclusions:
• Canceled Service Orders • Order Activities of BST or the CLEC associated with internal or administrative use of local services (Record Orders, Test Orders, etc.) • D (Disconnect) and F (From) orders. (From is disconnect side of a move order when the customer moves to a new address). • "L" Appointment coded orders (where the customer has requested a later than offered interval)
Business Rules:
The actual completion interval is determined for each order processed during the reporting period. The completion interval is the elapsed time from when BST issues a FOC or SOCS date time stamp receipt of an order from the CLEC to BST's actual order completion date. The clock starts when a valid order number is assigned by SOCS and stops when the technician or system completes the order in SOCS. Elapsed time for each order is accumulated for each reporting dimension. The accumulated time for each reporting dimension is then divided by the associated total number of orders completed. The interval breakout for UNE and Design is: 0-5 = 0-4.99, 5-10 = 5-9.99, 10-15 = 10-14.99, 15-20 = 15-19.99 20-25 = 20-24.99, 25-30 = 25-29.99, >=30 = 30 and greater.
Calculation :
Average Completion Interval: Σ [(Completion Date & Time) - (Order Issue Date & Time)] / Σ (Count of Orders Completed in Reporting period) **Order Completion Interval Distribution:** Σ (Service Orders Completed in "X" days) / (Total Service Orders Completed in Reporting Period) X 100
Report Structure:
• CLEC Specific • CLEC Aggregate • BST Aggregate
Level of Disaggregation:
• ISDN Orders included in Non Design - GA Only • Dispatch/No Dispatch categories applicable to all levels except trunks. • Residence & Business reported in day intervals = 0,1,2,3,4, 5, 5+ • UNE and Design reported in day intervals = 0-5, 5-10, 10-15, 15-20, 20-25, 25-30, >=30 • All Levels are reported <10 line/circuits; >=10 line/circuits

PROVISIONING –
(Average Completion Interval (OCI) & Order Completion Interval Distribution – Continued)

Data Retained Relating to CLEC Experience	Data Retained Relating to BST Experience
• Report Month • CLEC Company Name • Order Number (PON) • Submission Date & Time (TICKET_ID) • Completion Date (CMPLTN_DT) • Service Type (CLASS_SVC_DESC) • Geographic Scope **NOTE:** Code in parentheses is the corresponding header found in the raw data file.	• Report Month • BST Order Number • Order Submission Date & Time • Order Completion Date & Time • Service Type • Geographic Scope
Retail Analog/Benchmark	
CLEC Residence Resale / BST Residence Retail CLEC Business Resale / BST Business Retail CLEC Non-UNE Design / BST Design Interconnection Trunks-CLEC / Interconnection Trunks-BST UNEs-(See Appendix D)	

Revision Date: 02/28/00 (taf)

PROVISIONING

Report/Measurement:	
P-5. Average Completion Notice Interval	
Definition:	
The Completion Notice Interval is the elapsed time between the BST reported completion of work and the issuance of a valid completion notice to the CLEC.	
Exclusions:	
• Non-mechanized Orders • Cancelled Service Orders • Order Activities of BST associated with internal or administrative use of local services • D & F orders	
Business Rules:	
Measurement of interval of completion date and time by a field technician on dispatched orders, and 5PM start time on the due date for non-dispatched orders; to the release of a notice to the CLEC/BST of the completion status. The field technician notifies the CLEC the work was complete and then he enters the completion time stamp information in his computer. This information switches through to the SOCS systems either completing the order or rejecting the order to the Work Management Center (WMC). If the completion is rejected, it is manually corrected and then completed by the WMC. The notice is returned on each individual order submitted and as the notice is sent electronically, it can only be switched to those orders that were submitted by the CLEC electronically. The start time is the completion stamp either by the field technician or the 5PM due date stamp; the end time is the time stamp the notice was submitted to the CLEC/BST system.	
Calculation:	
Σ (Date and Time of Notice of Completion) – (Date and Time of Work Completion) / (Number of Orders Completed in Reporting Period)	
Report Structure:	
• CLEC Specific • CLEC Aggregate • BST Aggregate	
Level of Disaggregation:	
• Reporting intervals in Hours: 0-1, 1-2, 2-4, 4-8, 8-12, 12-24, > 24, plus Overall Average Hour Interval • Reported in categories of <10 line/circuits; >= 10 line/circuits	
Data Retained Relating to CLEC Experience	**Data Retained Relating to BST Experience**
• Report Month • CLEC Order Number • Work Completion Date • Work Completion Time • Completion Notice Availability Date • Completion Notice Availability Time • Service Type • Activity Type • Geographic Scope **NOTE:** Code in parentheses is the corresponding header found in the raw data file.	• Report Month • BST Order Number • Work Completion Date • Work Completion Time • Completion Notice Availability Date • Completion Notice Availability Time • Service Type • Activity Type • Geographic Scope **NOTE:** Code in parentheses is the corresponding header found in the raw data file.

Retail Analog/Benchmark:
CLEC Residence Resale / BST Residence Retail
CLEC Business Resale / BST Business Retail
CLEC Non-UNE Design / BST Design
Interconnection Trunks-CLEC / Interconnection Trunks-BST
UNEs – (See Appendix D)

Revision Date 02/24/00 (taf)

PROVISIONING

Report/Measurement:	
P-6. Coordinated Customer Conversions	
Definition:	
This category 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 measurement applies to service orders with and without INP, and where the CLEC has requested BST to provide a coordinated cutover.	
Exclusions:	
• Any order canceled by the CLEC will be excluded from this measurement. • Delays due to CLEC following disconnection of the unbundled loop • Unbundled Loops where there is no existing subscriber loop and loops where coordination in not requested.	
Business Rules:	
Where the service order includes INP, the interval includes the total time for the cutover including the translation time to place the line back in service on the ported line. The interval is calculated for the entire cutover time for the service order and then divided by items worked in that time to give the average per item interval for each service order.	
Calculation:	
Σ [(Completion Date and Time for Cross Connection of an Coordinated Unbundled Loop)- (Disconnection Date and Time of an Coordinated Unbundled Loop)] / Total Number of Unbundled Loop with Coordinated Conversions (items) for the reporting period.	
Report Structure:	
• CLEC Specific • CLEC Aggregate	
Level of Disaggregation:	
Reported in intervals <=5 minutes; >5,<=15 minutes; >15 minutes, plus Overall Average interval	
Data Retained Relating to CLEC Experience	**Data Retained Relating to BST Experience**
• Report Month • CLEC Order Number • Committed Due Date (DD) • Service Type (CLASS_SVC_DESC) • Cutover Start Time • Cutover Completion time • Portability start and completion times (INP orders) • Total Conversions (Items) **NOTE:** Code in parentheses is the corresponding header found in the raw data file.	• No BST Analog Exists
Retail Analog/Benchmark:	
There is no retail analog for this measurement because it measures cutting loops to the CLEC. Benchmark – See Appendix D	

Revision Date: 02/28/00 (taf)

PROVISIONING

Report/Measurement:	
P-7. % Provisioning Troubles within 30 days of Service Order Activity	
Definition:	
Percent Provisioning Troubles within 30 days of Installation measures the quality and accuracy of installation activities.	
Exclusions:	
• Canceled Service Orders • Order Activities of BST or the CLEC associated with internal or administrative use of local services (R Orders, Test Orders, etc.) • D & F orders	
Business Rules:	
Measures the quality and accuracy of completed orders. The first trouble report from a service order after completion is counted in this measure. Subsequent trouble reports are measured in Repeat Report Rate. Reports are calculated searching in the prior report period for completed service orders and following 30 days after completion for a trouble report. D & F orders are excluded as there is no subsequent activity following a disconnect.	
Calculation:	
% Provisioning Troubles within 30 days of Service Order Activity = Σ (Trouble reports on all completed orders ≤ 30 days following service order(s) completion) / (All Service Orders completed in the report calendar month) X 100	
Report Structure:	
• CLEC Specific • CLEC Aggregate • BST Aggregate	
Level of Disaggregation:	
• Reported in categories of <10 line/circuits; > = 10 line/circuits • Dispatch / No Dispatch	
Data Retained Relating to CLEC Experience	**Data Retained Relating to BST Experience**
• Report Month • CLEC Order Number and PON • Order Submission Date(TICKET_ID) • Order Submission Time (TICKET_ID) • Status Type • Status Notice Date • Standard Order Activity • Geographic Scope **NOTE:** Code in parentheses is the corresponding header found in the raw data file.	• Report Month • BST Order Number • Order Submission Date • Order Submission Time • Status Type • Status Notice Date • Standard Order Activity • Geographic Scope
Retail Analog/Benchmark:	
CLEC Residence Resale / BST Residence Retail CLEC Business Resale / BST Business Retail CLEC Non-UNE Design / BST Design Interconnection Trunks-CLEC / Interconnection Trunks –BST UNEs-(See Appendix D)	

Revision Date: 02/28/00 (taf)

PROVISIONING

Report/Measurement :

P-8. Total Service Order Cycle Time (TSOCT)

Definition:

This report measures the total service order cycle time from receipt of a valid service order request to the completion of the service order.

Exclusions:

- Canceled Service Orders
- Order Activities of BST or the CLEC associated with internal or administrative use of local services (Record Orders, Test Orders, etc.)
- D (Disconnect) and F (From) orders. (From is disconnect side of a move order when the customer moves to a new address).
- "L" Appointment coded orders (where the customer has requested a later than offered interval)
- Orders with CLEC/Subscriber caused delays or CLEC/Subscriber requested due date changes.

Business Rules:

The interval is determined for each order processed during the reporting period. This measurement combines two reports: FOC (Firm Order Confirmation) with Average Order Completion Interval.

This interval starts with the receipt of a valid service order request and stops when the technician or system completes the order in SOCS. Elapsed time for each order is accumulated for each reporting dimension. The accumulated time for each reporting dimension is then divided by the associated total number of orders completed.

Calculation :

Total Service Order Cycle Time

Σ(Date and Time of Service Request Receipt) – (Completion Date and Time of Service Order) (SOCS HIST-CD DATE) / (Count of Orders Completed in Reporting Period)

Report Structure:

- CLEC Specific
- CLEC Aggregate
- BST Aggregate

Level of Disaggregation:

- Reported in categories of < 10 line/circuits; > = 10 line/circuits
- Dispatch/No Dispatch categories applicable to all levels except trunks.
- Intervals 0-5, 5-10, 10-15, 15-20, 20-25, 25-30, > = 30 Days

Data Retained Relating to CLEC Experience	Data Retained Relating to BST Experience
• Report Month • Interval for FOC • CLEC Company Name • Order Number (PON) • Submission Date & Time (TICKET_ID) • Completion Date (CMPLTN_DT) • Service Type (CLASS_SVC_DESC) • Geographic Scope **NOTE:** Code in parentheses is the corresponding header found in the raw data file.	• Report Month • BST Order Number • Order Submission Date & Time • Order Completion Date & Time • Service Type • Geographic Scope

Retail Analog/Benchmark

See Appendix D

Revision Date: 02/28/00 (taf)

PROVISIONING

Report/Measurement:	
P-9. Service Order Accuracy GEORGIA ONLY	
Definition:	
The "service order accuracy" measurement measures the accuracy and completeness of BST service orders by comparing what was ordered and what was completed.	
Exclusions:	
• Cancelled Service Orders • Order Activities of BST associated with internal or administrative use of local services • & F orders	
Business Rules:	
A manual sampling of service orders, completed during a monthly reporting period, is compared to the original account profile and the order that the CLEC sent to BST. An order is "completed without error" if all service attributes and account detail changes (as determined by comparing the original order) completely and accurately reflect the activity specified on the original order and any supplemental CLEC order.	
Calculation:	
Percent Service Order Accuracy = Σ (Orders Completed without Error) / Σ (Orders Completed in Reporting Period) x 100	
Report Structure:	
CLEC Aggregate	
Level of Disaggregation:	
• Reported in categories of <10 line/circuits; > = 10 line/circuits • Dispatch / No Dispatch	
Data Retained Relating to CLEC Experience	**Data Retained Relating to BST Experience**
• Report Month • CLEC Order Number and PON • Local Service Request (LSR) • Order Submission Date • Committed Due Date • Service Type • Standard Order Activity **NOTE:** Code in parentheses is the corresponding header found in the raw data file.	• Being investigated at this time
Retail Analog/Benchmark: (Under Investigation)	

Revision Date: 01/05/00 (taf)

PROVISIONING

Report/Measurement:
LNP – 10. Percent Missed Installation Appointments
Definition:
Percent Missed Installation Appointments monitors the reliability of BST commitments with respect to committed due dates to assure that CLECs can reliably quote expected due dates to their retail customer as compared to BST.
Exclusions:
• Canceled Service Orders • Order Activities of BST or the CLEC associated with internal or administrative use of local services (Record Orders, Test Orders, etc.) where identifiable.
Business Rules:
Percent Missed Installation Appointments (PMI) is the percentage of total orders processed for which BST is unable to complete the service orders on the committed due dates. Missed Appointments caused by end-user reasons will be included and reported in a separate category. A business day is any time period within the same date frame, which means there cannot be a cutoff time for commitments as certain types of orders are requested to be worked after standard business hours. Also, during Daylight Savings Time, field technicians are scheduled until 9PM in some areas and the customer is offered a greater range of intervals from which to select.
Calculation:
Percent Missed Installation Appointments: [(Number of Orders Not Completed by Committed Due Date in Reporting Period) / (Number of Orders Completed in Reporting Period)] X 100
Report Structure:
• Mechanized (service orders generated by LSRs submitted via EDI or TAG) • CLEC Specific • CLEC Aggregate **Report explanation:** Total Missed Appointments is the total % of orders missed either by BST or the CLEC end user. End User MA represents the percentage of orders missed by the CLEC end user. The difference between End User Missed Appointments and Total Missed Appointments is the result of BST caused misses.
Level of Disaggregation:
• Product Reporting Levels ➢ LNP ➢ UNE Loop Associated w/LNP • Geographic Scope ➢ State, Region
Retail Analog/Benchmark:
See Appendix D

Revision Date: 02/16/00 (taf)

PROVISIONING – (LNP)

Report/Measurement :
LNP-11. Average Disconnect Timeliness Interval & Disconnect Timeliness Interval Distribution
Definition:
Disconnect Timeliness is defined as the interval between the time the LNP Gateway receives the 'Number Ported' message from NPAC (signifying the CLEC 'Activate') until the time that the Disconnect service order for an LSR is completed in SOCS. This interval effectively measures BST responsiveness by isolating it from impacts that are caused by CLEC related activities.
Exclusions:
• Canceled Service Orders • Order Activities of BST or the CLEC associated with internal or administrative use of local services (Record Orders, Test Orders, etc.) where identifiable.
Business Rules:
The Disconnect Timeliness interval is determined for the last Disconnect service order processed on an LSR during the reporting period. The Disconnect Timeliness interval is the elapsed time from when BST receives the last 'Number Ported' message for an LSR from NPAC (signifying the CLEC 'Activate') until the last Disconnect service order is completed in SOCS. Elapsed time for each order is accumulated for each reporting dimension. The accumulated time for each reporting dimension is then divided by the total number of selected disconnect orders which have been completed.
Calculation :
Average Disconnect Timeliness Interval: Σ[(Disconnect Service Order Completion Date & Time) - ('Number Ported' Message Received Date & Time)] / Σ (Total Number of Disconnect Service Orders Completed in Reporting Period) **Disconnect Timeliness Interval Distribution:** [Σ (Disconnect Service Orders Completed in "X" days) / (Total Disconnect Service Orders Completed in Reporting Period)] X 100
Report Structure:
• Mechanized (service orders generated by LSRs submitted via EDI or TAG) • CLEC Specific • CLEC Aggregate
Level of Disaggregation:
• Reported in day intervals = 0,1,2,3,4, 5, >5 days • Product Reporting Levels ➢LNP • Geographic Scope ➢State, Region
Retail Analog/Benchmark:
See Appendix D

Revision Date: 02/16/00 (taf)

PROVISIONING

Report/Measurement :
LNP-12. Total Service Order Cycle Time
Definition:
Total Service Order Cycle Time measures the interval from receipt of a valid service order request to the completion of the final service order associated with that service request.
Exclusions:
• Canceled Service Orders • Order Activities of BST or the CLEC associated with internal or administrative use of local services (Record Orders, Test Orders, etc.) where identifiable • "L" appointment coded orders (indicating the customer has requested a later than offered interval) • "S" missed appointment coded orders (indicating subscriber missed reasons), except for "SP" codes (indicating subscriber prior due date requested).
Business Rules:
The interval is determined for each service request processed during the reporting period. This measurement combines two reports: FOC (Firm Order Confirmation) with Average Order Completion Interval. This interval starts with the receipt of a valid service request and stops when the technician or system completes all the related service orders for the LSR in SOCS. Elapsed time for each service request is accumulated for each reporting dimension. The accumulated time for each reporting dimension is then divided by the associated total number of service requests completed to produce the total service order cycle time.
Calculation :
Average Total Service Order Cycle Time: Σ[(Service Order Completion Date & Time) - (Service Request Receipt Date & Time)] / Σ (Total Number Service Requests Completed in Reporting Period) **Total Service Order Cycle Time Interval Distribution:** [Σ (Total Number of Service Requests Completed in "X" minutes/hours) / (Total Number of Service Requests Received in Reporting Period)] X 100
Report Structure:
• Mechanized (service orders generated by LSRs submitted via EDI or TAG) • CLEC Specific • CLEC Aggregate • "W" Appointment Code Only (Company Offered)
Level of Disaggregation:
• Reported in day intervals 0 - 5, 5 - 10, 10 - 15, 15 - 20, 20 - 25, 25 - 30, >30 days • Product Reporting Levels ➢ LNP ➢ UNE Loop with LNP • Geographic Scope ➢ State, Region
Retail Analog/Benchmark:
See Appendix D

Revision Date: 02/16/00 (taf)

Maintenance and Repair Level of Disaggregation

Product Reporting Levels

- Resale / Retail
  - Pots – Residence
  - Pots – Business
  - PBX (Louisiana SQM)
  - ESSX (Louisiana SQM)
  - CENTREX (Louisiana SQM)
  - ISDN (Louisiana SQM) (**NOTE**: ISDN Troubles included in Non-Design Georgia Only)
  - Design
- Unbundled Network Elements
  - UNE Design
  - UNE Non – Design
  - UNE 2 Wire Loop (Louisiana SQM)
  - UNE Loop Other (Louisiana SQM)
  - Unbundled Ports (Louisiana SQM)
  - UNE Other Non – Design (Louisiana SQM)
- Trunks
  - Local Interconnection Trunks
- Dispatch/No Dispatch categories applicable to all product levels
- Geographic Scope

- State, Region and further geographic disaggregation as required by State Commission Order (e.g. Metropolitan Service Area – MSA)

MAINTENANCE & REPAIR

Report/Measurement:

M&R-1. Missed Repair Appointments

Definition:

The percent of trouble reports not cleared by the committed date and time.

Exclusions:

- Trouble tickets canceled at the CLEC request.
- BST trouble reports associated with internal or administrative service.
- Customer Provided Equipment (CPE) troubles or CLEC Equipment Trouble.

Business Rules:

The negotiated commitment date and time is established when the repair report is received. The cleared time is the date and time that BST personnel clear the trouble and closes the trouble report in his Computer Access Terminal (CAT) or workstation. If this is after the Commitment time, the report is flagged as a "Missed Commitment" or a missed repair appointment. When the data for this measure is collected for BST and a CLEC, it can be used to compare the percentage of the time repair appointments are missed due to BST reasons. Note: Appointment intervals vary with force availability in the POTS environment. Specials and Trunk intervals are standard interval appointments of no greater than 24 hours.

Calculation:

Percentage of Missed Repair Appointments =Σ (Count of Customer Troubles Not Cleared by the Quoted Commitment Date and Time) / Σ (Total Trouble reports closed in Reporting Period) X 100

Report Structure:

- CLEC Specific
- CLEC Aggregate
- BST Aggregate

Data Retained Relating to CLEC Experience	Data Retained Relating to BST Experience
• Report Month • CLEC Company Name • Submission Date & Time (TICKET_ID) • Completion Date (CMPLTN_DT) • Service Type (CLASS_SVC_DESC) • Disposition and Cause (CAUSE_CD & CAUSE_DESC) • Geographic Scope **NOTE:** Code in parentheses is the corresponding header found in the raw data file.	• Report Month • BST Company Code • Submission Date & Time • Completion Date • Service Type • Disposition and Cause (Non-Design /Non-Special Only) • Trouble Code (Design and Trunking Services) • Geographic Scope

Retail Analog/Benchmark

CLEC Residence-Resale / BST Residence-Retail
CLEC Business-Resale / BST Business-Retail
CLEC Design-Resale / BST Design-Retail
CLEC PBX, Centrex, and ISDN Resale/ BST PBX, Centrex, and ISDN Retail
CLEC Trunking-Resale / BST Trunking-Retail
UNEs – (See Appendix D)

Revision Date: 02/22/00 (see)

MAINTENANCE & REPAIR

Report/Measurement:

M&R-2. Customer Trouble Report Rate

Definition:

Initial and repeated customer direct or referred troubles reported within a calendar month per 100 lines/ circuits in service.

Exclusions:

- Trouble tickets canceled at the CLEC request.
- BST trouble reports associated with administrative service.
- Customer provided Equipment (CPE) troubles or CLEC equipment troubles.

Business Rules:

Customer Trouble Report Rate is computed by accumulating the number of maintenance initial and repeated trouble reports during the reporting period. The resulting number of trouble reports are divided by the total "number of service" lines, ports or combination that exist for the CLEC's and BST respectively at the end of the report month.

Calculation:

Customer Trouble Report Rate = (Count of Initial and Repeated Trouble Reports in the Current Period) / (Number of Service Access Lines in service at End of the Report Period) X 100

Report Structure:

- CLEC Specific
- CLEC Aggregate
- BST Aggregate

Data Retained Relating to CLEC Experience	Data Retained Relating to BST Experience
• Report Month • CLEC Company Name • Ticket Submission Date & Time (TICKET_ID) • Ticket Completion Date (CMPLTN_DT) • Service Type (CLASS_SVC_DESC) • Disposition and Cause (CAUSE_CD & CAUSE_DESC) • # Service Access Lines in Service at the end of period • Geographic Scope **NOTE:** Code in parentheses is the corresponding header found in the raw data file.	• Report Month • BST Company Code • Ticket Submission Date & Time • Ticket Completion Date • Service Type • Disposition and Cause (Non-Design / Non-Special Only) • Trouble Code (Design and Trunking Services) • # Service Access Lines in Service at the end of period • Geographic Scope

Retail Analog/Benchmark:

CLEC Residence-Resale / BST Residence -Retail
CLEC Business-Resale / BST Business-Retail
CLEC Design-Resale / BST Design-Retail
CLEC PBX, Centrex and ISDN Resale/ BST PBX, Centrex, and ISDN Retail
CLEC Trunking-Resale / BST Trunking-Retail
UNEs – (See Appendix D)

Revision Date: 02/22/00 (see)

MAINTENANCE & REPAIR

Report/Measurement:

M&R-3. Maintenance Average Duration

Definition:

The Average duration of Customer Trouble Reports from the receipt of the Customer Trouble Report to the time the trouble report is cleared.

Exclusions:

- Trouble reports canceled at the CLEC request
- BST trouble reports associated with administrative service
- Customer Provided Equipment (CPE) troubles or CLEC Equipment Troubles.
- Trouble reports greater than 10 days

Business Rules:

For Average Duration the clock starts on the date and time of the receipt of a correct repair request. The clock stops on the date and time the service is restored and the customer notified (when the technician completes the trouble ticket on his/her CAT or work system).

NOTE: Customer can be BST or CLEC

Calculation:

Maintenance Average Duration = Σ(Date and Time of Service Restoration) – (Date and Time Trouble Ticket was Opened) / Σ(Total Closed Troubles in the reporting period)

Report Structure:

- CLEC Specific
- BST Aggregate
- CLEC Aggregate

Data Retained Relating to CLEC Experience	Data Retained Relating to BST Experience
• Report Month • Total Tickets (LINE_NBR) • CLEC Company Name • Ticket Submission Date & Time (TIME_ID) • Ticket Completion Date (CMPLTN_DT • Service Type (CLASS_SVC_DESC) • Disposition and Cause (CAUSE_CD & CAUSE_DESC) • Geographic Scope **NOTE:** Code in parentheses is the corresponding header found in the raw data file.	• Report Month • Total Tickets • BST Company Code • Ticket Submission Date • Ticket submission Time • Ticket completion Date • Ticket Completion Time • Total Duration Time • Service Type • Disposition and Cause (Non – Design /Non-Special Only) • Trouble Code (Design and Trunking Services) • Geographic Scope

Retail Analog/Benchmark:

CLEC Residence-Resale / BST Residence-Resale
CLEC Business-Resale / BST Business-Retail
CLEC Design-Resale / BST Design-Retail
CLEC PBX, Centrex and ISDN Resale / BST PBX, Centrex and ISDN Retail
CLEC Trunking-Resale /BST Trunking-Retail
UNEs – (See Appendix D)

Revision Date: 02/22/00 (see)

MAINTENANCE & REPAIR

Report/Measurement:

M&R-4. Percent Repeat Troubles within 30 Days

Definition:

Trouble reports on the same line/circuit as a previous trouble report received within 30 calendar days as a percent of total troubles reported.

Exclusions:

- Trouble Reports canceled at the CLEC request
- BST Trouble Reports associated with administrative service
- Customer Provided Equipment (CPE) Troubles or CLEC Equipment Troubles.

Business Rules:

Includes Customer trouble reports received within 30 days of an original Customer trouble report.

Calculation:

Percent Repeat Troubles within 30 Days = (Count of Customer Troubles where more than one trouble report was logged for the same service line within a continuous 30 days) / (Total Trouble Reports Closed in Reporting Period) X 100

Report Structure:

- CLEC Specific
- CLEC Aggregate
- BST Aggregate

Data Retained Relating to CLEC Experience	Data Retained Relating to BST Experience
• Report Month • Total Tickets (LINE_NBR) • CLEC Company Name • Ticket Submission Date & Time (TICKET_ID) • Ticket Completion Date (CMPLTN_DT) • Total and Percent Repeat Trouble Reports within 30 Days (TOT_REPEAT) • Service Type • Disposition and Cause (CAUSE_CD & CAUSE_DESC) • Geographic Scope **NOTE:** Code parentheses is the corresponding header format found in the raw data file.	• Report Month • Total Tickets • BST Company Code • Ticket Submission Date • Ticket Submission Time • Ticket Completion Date • Ticket Completion Time • Total and Percent Repeat Trouble Reports within 30 Days • Service Type • Disposition and Cause (Non – Design/Non-Special only) • Trouble Code (Design and Trunking Services) • Geographic Scope

Retail Analog/Benchmark:

CLEC Residence-Resale / BST Residence-Retail
CLEC Business- Resale / BST Business-Retail
CLEC Design-Resale / BST Design-Retail
CLEC PBX, Centrex and ISDN Resale / BST PBX, Centrex and ISDN Retail
CLEC Trunking-Resale / BST Trunking-Retail
UNEs – Retail Analog (See Appendix D)

Revision date: 02/22/00 (see)

MANTENANCE & REPAIR

Report/Measurement:

M&R-5. Out of Service (OOS) > 24 Hours

Definition:

For Out of Service Troubles (no dial tone, cannot be called or cannot call out) the percentage of troubles cleared in excess of 24 hours. (All design services are considered to be out of service).

Exclusions:

- Trouble Reports canceled at the CLEC request
- BST Trouble Reports associated with administrative service
- Customer Provided Equipment (CPE) Troubles or CLEC Equipment Troubles.

Business Rules:

Customer Trouble reports that are out of service and cleared in excess of 24 hours. The clock begins when the trouble report is created in LMOS and the trouble is counted if the time exceeds 24 hours.

Calculation:

Out of Service (OOS) > 24 hours = (Total Troubles OOS > 24 Hours) / Total OOS Troubles in Reporting Period) X 100

Report Structure:

- CLEC Specific
- BST Aggregate
- CLEC Aggregate

Data Retained Relating to CLEC Experience	Data Retained Relating to BST Experience
• Report Month • Total Tickets • CLEC Company Name • Ticket Submission Date & Time (TICKET_ID) • Ticket Completion Date (CMPLTN_DT • Percentage of Customer Troubles out of • Service > 24 Hours (OOS>24_FLAG) • Service type (CLASS_SVC_DESC) • Disposition and Cause (CAUSE_CD & CAUSE-DESC) • Geographic Scope **NOTE:** Code in parentheses is the corresponding header found in the raw data file.	• Report Month • Total Tickets • BST Company Code • Ticket Submission Date • Ticket Submission time • Ticket Completion Date • Ticket Completion Time • Percent of Customer Troubles out of Service > 24 Hours • Service type • Disposition and Cause (Non – Design/Non-Special only) • Trouble Code (Design and Trunking Services) • Geographic Scope

Retail Analog/Benchmark:

CLEC Residence-Resale / BST Residence- Retail
CLEC Business- Resale / BST Business-Retail
CLEC Design-Resale / BST Design-Retail
CLEC PBX, Centrex and ISDN Resale / BST PBX, Centrex and ISDN Retail
CLEC Trunking-Resale /BST Trunking- Retail
UNEs Retail Analog – (See Appendix D)

Revision Date: 02/22/00 (see)

MAINTENANCE & REPAIR

Report/Measurement:	
M&R-6. Average Answer Time – Repair Centers	
Definition:	
This measures the average time a customers is in Que.	
Exclusions:	
None	
Business Rules:	
This measure is designed to measure the time required for CLEC & BST from the time of the ACD choice to the time of being answered. The clock starts when the CLEC Rep makes a choice to be put in queue for the next repair attendant and the clock stops when the repair attendant answers the call. (NOTE: The Column is a combined BST Residence and Business number)	
Level of Disaggregation:	
Region. CLEC/BST Service Centers and BST Repair Centers are regional.	
Calculation:	
Average Answer Time for BST's Repair Centers = (Time BST Repair Attendant Answers Call) – (Time of entry into queue until ACD Selection) / (Total number of calls by reporting period)	
Report Structure:	
• CLEC Aggregate • BST Aggregate	
Data Retained Relating to CLEC Experience	**Data Retained Relating to BST Experience**
• CLEC Average Answer Time	• BST Average Answer Time
Retail Analog/Benchmark:	
For CLEC, Average Answer Times in UNE Center and BRMC are comparable to the Average Answer Times in the BST Repair Centers. See Appendix D	

Revision Date: 02/22/00 (see)

BILLING

Report/Measurement:	
B-1. Invoice Accuracy	
Definition:	
This measure provides the percentage of accuracy of the billing invoices rendered to CLECs during the current month.	
Exclusions:	
• Adjustments not related to billing errors (e.g., credits for service outage, special promotion credits, adjustments to satisfy the customer)	
Business Rules:	
The accuracy of billing invoices delivered by BST to the CLEC must enable them to provide a degree of billing accuracy comparative to BST bills rendered to retail customers BST. CLECs request adjustments on bills determined to be incorrect. The BellSouth Billing verification process includes manually analyzing a sample of local bills from each bill period. The bill verification process draws from a mix of different customer billing options and types of service. An end-to-end auditing process is performed for new products and services. Internal measurements and controls are maintained on all billing processes.	
Calculation:	
Invoice Accuracy = (Total Billed Revenues during current month) – (Billing Related Adjustments during current month) / Total Billed Revenues during current month X 100	
Report Structure:	
• CLEC Specific • CLEC Aggregate • BST Aggregate	
Level of Disaggregation :	
• Product / Invoice Type ➢ Resale ➢ UNE ➢ Interconnection • Geographic Scope ➢ Region	
Data Retained Relating to CLEC Experience:	**Data Retained Relating to BST Performance:**
• Report Month • Invoice Type • Total Billed Revenue • Billing Related Adjustments	• Report Month • Retail Type ➢ CRIS ➢ CABS • Total Billed Revenue • Billing Related Adjustments
Retail Analog/Benchmark	
CLEC Invoice Accuracy is comparable to BST Invoice Accuracy See Appendix D	

Revision Date: 02/28/00 (dg)

BILLING

Report/Measurement:	
B-2. Mean Time to Deliver Invoices	
Definition:	
This measure provides the mean interval for billing invoices	
Exclusions:	
Any invoices rejected due to formatting or content errors.	
Business Rules:	
Measures the mean interval for timeliness of billing records delivered to CLECs in an agreed upon format. CRIS-based invoices are measured in business days, and CABS-based invoices in calendar days.	
Calculation:	
Mean Time To Deliver Invoices = Σ_[(Invoice Transmission Date)– (Close Date of Scheduled Bill Cycle)] / (Count of Invoices Transmitted in Reporting Period)	
Report Structure:	
• CLEC Specific • CLEC Aggregate • BST Aggregate	
Level of Disaggregation:	
• Product / Invoice Type ➢ Resale ➢ UNE ➢ Interconnection • Geographic Scope ➢ Region	
Data Retained Relating to CLEC Experience:	**Data Retained Relating to BST Performance:**
• Report Month • Invoice Type • Invoice Transmission Count • Date of Scheduled Bill Close	• Report Month • Retail Type ➢ CRIS ➢ CABS • Invoice Transmission Count • Date of Scheduled Bill Close
Retail Analog/Benchmark:	
CRIS-based invoices will be released for delivery within six (6) business days CABS-based invoices will be released for delivery within eight (8) calendar days. CLEC Average Delivery Intervals for both CRIS and CABS Invoices are comparable to BST Average delivery for both systems. See Appendix D	

Revision Date: 02/28/00 (dg)

BILLING

Report/Measurement:	
B-3. Usage Data Delivery Accuracy	
Definition:	
This measurement captures the percentage of recorded usage that is delivered error free and in an acceptable format to the appropriate Competitive Local Exchange Carrier (CLEC). These percentages will provide the necessary data for use as a comparative measurement for BellSouth performance. This measurement captures Data Delivery Accuracy rather than the accuracy of the individual usage recording.	
Exclusions:	
None	
Business Rules:	
The accuracy of the data delivery of usage records delivered by BST to the CLEC must enable them to provide a degree of accuracy comparative to BST bills rendered to their retail customers. If errors are detected in the delivery process, they are investigated, evaluated and documented. Errors are corrected and the data retransmitted to the CLEC.	
Calculations:	
Usage Data Delivery Accuracy = Σ[(Total number of usage data packs sent during current month) – (Total number of usage data packs requiring retransmission during current month)] / (Total number of usage data packs sent during current month) X 100	
Report Structure:	
• CLEC Specific • CLEC Aggregate • BST Aggregate	
Level of Disaggregation:	
• Geographic Scope ➢ Region	
Data Retained Relating to CLEC Experience:	**Data Retained Relating to BST Performance:**
• Report Month • Record Type ➢ BellSouth Recorded ➢ Non BellSouth Recorded	• Report Month • Record Type
Retail Analog/Benchmark:	
CLEC Usage Data Delivery Accuracy is comparable to BST Usage Data Delivery Accuracy See Appendix D	

Revision Date: 02/28/00 (dg)

BILLING

Report/Measurement:	
B-4. Usage Data Delivery Completeness	
Definition:	
This measurement provides percentage of complete and accurately recorded usage data (usage recorded by BellSouth and usage recorded by other companies and sent to BST for billing) that is processed and transmitted to the CLEC within thirty (30) days of the message recording date. A parity measure is also provided showing completeness of BST messages processed and transmitted via CMDS. BellSouth delivers its own retail usage from recording location to billing location via CMDS as well as delivering billing data to other companies. Timeliness, Completeness and Mean Time to Deliver Usage measures are reported on the same report.	
Exclusions:	
None	
Business Rules:	
The purpose of these measurements is to demonstrate the level of quality of usage data delivered to the appropriate CLEC. Method of delivery is at the option of the CLEC.	
Calculation:	
Usage Data Delivery Completeness = Σ(Total number of Recorded usage records delivered during the current month that are within thirty (30) days of the message recording date) / Σ(Total number of Recorded usage records delivered during the current month) X 100	
Report Structure	
• CLEC Specific • CLEC Aggregate • BST Aggregate	
Level of Disaggregation:	
• Geographic Scope ➢ Region	
Data Retained Relating to CLEC Experience:	**Data Retained Relating to BST Performance:**
• Report Month • Record Type ➢ BellSouth Recorded ➢ Non BellSouth Recorded	• Report Monthly • Record Type
Retail Analog/Benchmark:	
CLEC Usage Delivery Completeness is comparable to BST Usage Delivery Completeness See Appendix D	

Revision Date: 02/28/00 (dg)

BILLING

Report/Measurement:	
B-5. Usage Data Delivery Timeliness	
Definition:	
This measurement provides a percentage of recorded usage data (usage recorded by BST and usage recorded by other companies and sent to BST for billing) that is delivered to the appropriate CLEC within six (6) calendar days from the receipt of the initial recording. A parity measure is also provided showing timeliness of BST messages processed and transmitted via CMDS. Timeliness, Completeness and Mean Time to Deliver Usage measures are reported on the same report.	
Exclusions:	
None	
Business Rules:	
The purpose of this measurement is to demonstrate the level of timeliness for processing and transmission of usage data delivered to the appropriate CLEC. The usage data will be mechanically transmitted or mailed to the CLEC data processing center once daily. The Timeliness interval of usage recorded by other companies is measured from the date BST receives the records to the date BST distributes to the CLEC. Method of delivery is at the option of the CLEC.	
Calculation:	
Usage Data Delivery Timeliness = Σ(Total number of usage records sent within six (6) calendar days from initial recording/receipt) / Σ(Total number of usage records sent) X 100	
Report Structure:	
• CLEC Aggregate • CLEC Specific • BST Aggregate	
Level of Disaggregation:	
• Geographic Scope ➢ Region	
Data Retained Relating to CLEC Experience:	**Data Retained Relating to BST Performance:**
• Report Month • Record Type ➢ BellSouth Recorded ➢ Non-BellSouth Recorded	• Report Monthly • Record Type
Retail Analog/Benchmark:	
CLEC Usage Data Delivery Timeliness is comparable to BST Usage Data Delivery Timeliness See Appendix D	

Revision date: 02/28/00 (dg)

BILLING

Report/Measurement:	
B-6. Mean Time to Deliver Usage	
Definition:	
This measurement provides the average time it takes to deliver Usage Records to a CLEC. A parity measure is also provided showing timeliness of BST messages processed and transmitted via CMDS. Timeliness, Completeness and Mean Time to Deliver Usage measures are reported on the same report.	
Exclusions:	
None	
Business Rules:	
The purpose of this measurement is to demonstrate the average number of days it takes BST to deliver Usage data to the appropriate CLEC. Usage data is mechanically transmitted or mailed to the CLEC data processing center once daily. Method of delivery is at the option of the CLEC.	
Calculation:	
Mean Time to Deliver Usage = Σ_(Record volume X estimated number of days to deliver the Usage Record) / total record volume	
Report Structure:	
• CLEC Aggregate • CLEC Specific • BST Aggregate	
Level of Disaggregation:	
• Geographic Scope ➢ Region	
Data Retained Relating to CLEC Experience:	**Data Retained Relating to BST Performance:**
• Report Month • Record Type ➢ BellSouth Recorded ➢ Non-BellSouth Recorded	• Report Monthly • Record Type
Retail Analog/Benchmark:	
Mean Time to Deliver Usage to CLEC is comparable to Mean Time to Deliver Usage to BST See Appendix D	

Revision Date: 02/28/00 (dg)

OPERATOR SERVICES

Report/Measurement:
OS-1. Speed to Answer Performance/Average Speed to Answer – Toll
Definition:
Measurement of the average time in seconds calls wait before answered by a toll operator.
Exclusions:
Calls abandoned by customers are not reflected in the average speed to answer but are reflected in the conversion tables where the percent answered within "X" seconds is determined.
Business Rules:
The call waiting measurement scan starts when the customer enters the queue and ends when a BST representative answers the call. The average speed to answer is determined by measuring and accumulating the seconds of wait time from the entry of a customer into the BST call management system queue until the customer is transferred to a BST representative. No distinction is made between CLEC customers and BST customers.
Calculation:
The Average Speed to Answer for toll is calculated by using data from monthly system measurement reports taken from the centralized call routing switches. The "total call waiting seconds" is a sub-component of this measure which BST systems calculate by monitoring the number of calls in queue throughout the day multiplied by the time (in seconds) between monitoring events. The "total calls served" is the other sub-component of this measure, which BST systems record as the total number of calls handled by Operator Services toll centers. Since calls abandoned are not reflected in the calculation, the percent answered within the required timeframe is determined by using conversion tables with input for the abandonment rate.
Report Structure:
• Reported for the aggregate of BST and CLECs ➢ State
Level of Disaggregation:
None
Data Retained (on Aggregate Basis)
For the items below, BST's Performance Measurement Analysis Platform (PMAP) receives a final computation; therefore, no raw data file is available in PMAP. • Month • Call Type (Toll) • Average Speed of Answer
Retail Analog/Benchmark
Parity by Design See Appendix D

Revision Date: 02/28/00 (tg)

OPERATOR SERVICES

Report/Measurement:
OS-2. Speed to Answer Performance/Percent Answered within "X" Seconds – Toll
Definition:
Measurement of the percent of toll calls that are answered in less than "X" seconds. The number of seconds represented by "X" is thirty, except where a different regulatory benchmark has been set against the Average Speed to Answer by a State Commission.
Exclusions:
Calls abandoned by customers are not reflected in the average speed to answer but are reflected in the conversion tables where the percent answered within "X" seconds is determined.
Business Rules:
The call waiting measurement scan starts when the customer enters the queue and ends when a BST representative answers the call. The average speed to answer is determined by measuring and accumulating the seconds of wait time from the entry of a customer into the BST call management system queue until the customer is transferred to a BST representative. No distinction is made between CLEC customers and BST customers.
Calculation:
The Percent Answered within "X" Seconds measurement for toll is derived by using the BellCore Statistical Answer Conversion Tables, to convert the Average Speed to Answer measure into a percent of calls answered within "X" seconds. The BellCore Conversion Tables are specific to the defined parameters of work time, number of operators, max queue size and call abandonment rates.
Report Structure:
• Reported for the aggregate of BST and CLECs ➢ State
Level of Disaggregation:
None
Data Retained (on Aggregate Basis)
For the items below, BST's Performance Measurement Analysis Platform (PMAP) receives a final computation; therefore, no raw data file is available in PMAP. • Month • Call Type (Toll) • Average Speed of Answer
Retail Analog/Benchmark
Parity by Design See Appendix D

Revision Date: 02/28/00 (tg)

OPERATOR SERVICES

Report/Measurement:
OS-3. Speed to Answer Performance/Average Speed to Answer – Directory Assistance (DA)
Definition:
Measurement of the average time in seconds calls wait before answer by a DA operator.
Exclusions:
Calls abandoned by customers are not reflected in the average speed to answer but are reflected in the conversion tables where the percent answered within "X" seconds is determined.
Business Rules:
The call waiting measurement scan starts when the customer enters the queue and ends when a BST representative answers the call. The average speed to answer is determined by measuring and accumulating the seconds of wait time from the entry of a customer into the BST call management system queue until the customer is transferred to a BST representative. No distinction is made between CLEC customers and BST customers.
Calculation:
The Average Speed to Answer for DA is calculated by using data from monthly system measurement reports taken from the centralized call routing switches. The "total call waiting seconds" is a sub-component of this measure which BST systems calculate by monitoring the number of calls in queue throughout the day multiplied by the time (in seconds) between monitoring events. The "total calls served" is the other sub-component of this measure, which BST systems record as the total number of calls handled by Operator Services DA centers. Since calls abandoned are not reflected in the calculation, the percent answered within the required timeframe is determined by using conversion tables with input for the abandonment rate.
Report Structure:
• Reported for the aggregate of BST and CLECs ➢ State
Level of Disaggregation:
None
Data Retained (on Aggregate Basis)
For the items below, BST's Performance Measurement Analysis Platform (PMAP) receives a final computation; therefore, no raw data file is available in PMAP. • Month • Call Type (DA) • Average Speed of Answer
Retail Analog/Benchmark
Parity by Design See Appendix D

Revision Date: 02/28/00 (tg)

OPERATOR SERVICES

Report/Measurement:
OS-4. Speed to Answer Performance/Percent Answered within "X" Seconds – Directory Assistance (DA)
Definition:
Measurement of the percent of DA calls that are answered in less than "X" seconds. The number of seconds represented by "X" is twenty, except where a different regulatory benchmark has been set against the Average Speed to Answer by a State Commission.
Exclusions:
Calls abandoned by customers are not reflected in the average speed to answer but are reflected in the conversion tables where the percent answered within "X" seconds is determined.
Business Rules:
The call waiting measurement scan starts when the customer enters the queue and ends when a BST representative answers the call. The average speed to answer is determined by measuring and accumulating the seconds of wait time from the entry of a customer into the BST call management system queue until the customer is transferred to a BST representative. No distinction is made between CLEC customers and BST customers.
Calculation:
The Percent Answered within "X" Seconds measurement for DA is derived by using the BellCore Statistical Answer Conversion Tables, to convert the Average Speed to Answer measure into a percent of calls answered within "X" seconds. The BellCore Conversion Tables are specific to the defined parameters of work time, number of operators, max queue size and call abandonment rates.
Report Structure:
• Reported for the aggregate of BST and CLECs ➢ State
Level of Disaggregation:
None
Data Retained (on Aggregate Basis)
For the items below, BST's Performance Measurement Analysis Platform (PMAP) receives a final computation; therefore, no raw data file is available in PMAP. • Month • Call Type (DA) • Average Speed of Answer
Retail Analog/Benchmark
Parity by Design See Appendix D

Revision Date: 02/28/00 (tg)

E911

Report/Measurement:
E-1. Timeliness
Definition:
Measures the percentage of batch orders for E911 database updates (to CLEC resale and BST retail records) processed successfully within a 24-hour period.
Exclusions:
• Any resale order canceled by a CLEC • Facilities-based CLEC orders
Business Rules:
The 24-hour processing period is calculated based on the date and time processing starts on the batch orders and the date and time processing stops on the batch orders. Mechanical processing starts when SCC (BST's E911 vendor) receives E911 files containing batch orders extracted from BST's Service Order Communication System (SOCS). Processing stops when SCC loads the individual records to the E911 database. No distinctions are made between CLEC resale records and BST retail records.
Calculation:
E911 Timeliness = Σ (Number of batch orders processed within 24 hours ÷ Total number of batch orders submitted) X 100
Report Structure:
• Reported for the aggregate of CLEC resale updates and BST retail updates ➢ State ➢ Region
Levels of Disaggregation:
None
Data Retained
• Report month • Aggregate data
Retail Analog/Benchmark
Parity by Design See Appendix D

Revision Date: 02/28/00 (tg)

E911

Report/Measurement:
E-2. Accuracy
Definition:
Measures the individual E911 telephone number (TN) record updates (to CLEC resale and BST retail records) processed successfully for E911 with no errors.
Exclusions:
• Any resale order canceled by a CLEC • Facilities-based CLEC orders
Business Rules:
Accuracy is based on the number of records processed without error at the conclusion of the processing cycle. Mechanical processing starts when SCC (BST's E911 vendor) receives E911 files containing telephone number (TN) records extracted from BST's Service Order Communication System (SOCS). No distinctions are made between CLEC resale records and BST retail records.
Calculation:
E911 Accuracy = Σ(Number of record individual updates processed with no errors ÷ Total number of individual record updates) X 100
Report Structure:
• Reported for the aggregate of CLEC resale updates and BST retail updates ➢ State ➢ Region
Level of Disaggregation:
None
Data Retained
• Report month • Aggregate data
Retail Analog/Benchmark
Parity by Design See Appendix D

Revision Date: 02/28/00 (tg)

E911

Report/Measurement:
E-3. Mean Interval
Definition:
Measures the mean interval processing of E911 batch orders (to update CLEC resale and BST retail records).
Exclusions:
• Any resale order canceled by a CLEC • Facilities-based CLEC orders
Business Rules:
The processing period is calculated based on the date and time processing starts on the batch orders and the date and time processing stops on the batch orders. Data is posted in 4-hour increments up to and beyond 24 hours. No distinctions are made between CLEC resale records and BST retail records.
Calculation:
E911 Mean Interval = Σ (Date and time of batch order completion – Date and time of batch order submission) ÷ (Number of batch orders completed)
Report Structure:
• Reported for the aggregate of CLEC resale updates and BST retail updates ➢ State ➢ Region
Level of Disaggregation:
None
Data Retained (on Aggregate Basis)
• Report month • Aggregate data
Retail Analog/Benchmark
Parity by Design See Appendix D

Revision Date: 02/28/00 (tg)

TRUNK GROUP PERFORMANCE

Report/Measurement:

TGP-1. Trunk Group Performance-Aggregate

Definition:

A report of aggregate blocking information for CLEC trunk groups and BellSouth trunk groups.

Exclusions:

- Trunk Groups for which valid data is not available for an entire study period
- Duplicate trunk group information

Business Rules:

- Aggregate blocking results are created using the statistical analysis package and are output into Excel with separate table for each geographic area.

- For each geographic area, plots are generated for: a) the monthly blocking by hour for each affecting group (BellSouth or CLEC), and b) the difference between BellSouth blocking data and CLEC blocking data is calculated and plotted.

- The TCBH blocking is calculated by determining the monthly averaging blocking for each hour for each trunk. The hour with the highest usage is selected as the TCBH and the blocking for that hour is reported.

- Trunk Categorization: This report displays, over a reporting cycle, aggregate, weighted average blocking data for each hour of a day. Therefore, for each reporting cycle, 24 blocking data points are generated for two aggregate groups of selected trunk groups. These groups are CLEC affecting and BellSouth affecting trunk groups. In order to assign trunk groups to each aggregate group, all trunk groups are first assigned to a category. A trunk group's end points and the type of traffic that is transmitted on it define a category. Selected categories of trunk groups are assigned to the aggregate groups to that trunk reports can be generated. The categories to which trunk groups have been assigned for this report are as follows:

CLEC Affecting Categories:

	Point A	Point B
Category 1:	BellSouth End Office	BellSouth Access Tandem
Category 3:	BellSouth End Office	CLEC Switch
Category 4:	BellSouth Local Tandem	CLEC Switch
Category 5:	BellSouth Access Tandem	CLEC Switch
Category 10:	BellSouth End Office	BellSouth Local Tandem
Category 16:	BellSouth Tandem	BellSouth Tandem

BellSouth Affecting Category:

	Point A	Point B
Category 9:	BellSouth End Office	BellSouth End Office

TRUNK GROUP PERFORMANCE - (Trunk Group Performance-Aggregate – Continued)

Calculation:

Monthly Weighted Average Blocking:

(Blocking data for each hour X number of valid measurement days within each week) / Σ (Total number of valid measurement days within each week)

Example: Hour		Week 1	Week 2	Week 3	Week 4	Monthly
1	Blocking	1%	0.5%	2%	1.5%	1.8%
	# Days	7	7	5	6	
2	Blocking	0%	0%	0.2%	0.3%	.1%
	# Days	7	5	5	7	
3	Blocking	1%	1%	0.5%	2%	1.1%
	# Days	7	7	7	7	
24	Blocking	1%	0.5%	2%	1.5%	1.2%
	# Days	7	7	5	6	

The monthly weighted average blocking for hour 1 for a particular trunk group is calculated as follows:

$$\frac{(1x5)+(0.5x5)+(2x4)+(1.5x4)}{(5+5+4+4)} = 1.2\%$$

Aggregate Monthly Blocking:

(Monthly weighted average blocking value for each trunk group) X (number of trunks within each trunk group) / Σ (number of trunks in the aggregate group)

Example: Trunk Group	Trunks in Service	Blocking Hour 1	Blocking Hour 2	Blocking Hour 3	Blocking Hour 4	.....	Blocking Hour 24
A	24	3%	0%	1%	0%		0%
B	144	2%	0%	1%	0.5%		0.5%
C	528	0%	0.5%	1%	1%		1%
D	316	1%	0%	1%	0.1%		0%
E	940	1%	1%	4%	0%		0%
Aggregate		0.8%	0.6%	2.4%	0.3%		0.3%

The aggregate weighted monthly blocking for hour 1 is calculated as follows:

$$\frac{(3x24)+(2x144)+(0x528)+(1x316)+(1x940)}{(24+144+528+316+940)} = 0.8\%$$

The purpose of the Trunk Group Performance Report is to provide trunk blocking measurements on CLEC and BST trunk groups for comparison only. It is not the intent of the report that it be used for network management and/or engineering.

Report Structure:

- CLEC Aggregate
  - State

Level of Disaggregation:

Trunk Group

Data Retained Relating to CLEC Experience	Data Retained Relating to BST Experience
• Report Month • Total Trunk Groups • Number of Trunk Groups by CLEC • Hourly average blocking per trunk group	• Report Month • Total Trunk Groups • Aggregate Hourly average blocking

Retail Analog/Benchmark:
Any 2 hour period in 24 hours where CLEC blockage exceeds BST blockage by more than 0.5% = a miss using trunk groups 1, 3, 4, 5, 10, 16 for CLECs and 9 for BST.

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TRUNK GROUP PERFORMANCE

Report/Measurement:

TGP-2. Trunk Group Performance-CLEC Specific

Definition:

A report of blocking information for CLEC trunk groups.

Exclusions:

- Trunk Groups for which valid data is not available for an entire study period
- Duplicate trunk group information

Business Rules:

- Aggregate blocking results are created using the statistical analysis package and are output into Excel with separate table for each geographic area.
- For each geographic area, plots are generated for the monthly blocking by hour
- The TCBH blocking is calculated by determining the monthly averaging blocking for each hour for each trunk. The hour with the highest usage is selected as the TCBH and the blocking for that hour is reported.
- Trunk Categorization: This report displays, over a reporting cycle, aggregate, weighted average blocking data for each hour of a day. Therefore, for each reporting cycle, 24 blocking data points are generated for CLEC trunk groups. In order to assign trunk groups to the CLEC group, all trunk groups are first assigned to a category. A trunk group's end points and the type of traffic that is transmitted on it define a category. Selected categories of trunk groups are assigned to the aggregate groups to that trunk reports can be generated. The categories to which trunk groups have been assigned for this report are as follows:

CLEC Affecting Categories:

	Point A	Point B
Category 1:	BellSouth End Office	BellSouth Access Tandem
Category 3:	BellSouth End Office	CLEC Switch
Category 4:	BellSouth Local Tandem	CLEC Switch
Category 5:	BellSouth Access Tandem	CLEC Switch
Category 10:	BellSouth End Office	BellSouth Local Tandem
Category 16:	BellSouth Tandem	BellSouth Tandem

TRUNK GROUP PERFORMANCE - (Trunk Group Performance-CLEC Specific – Continued)

Calculation:

Monthly Weighted Average Blocking:

(Blocking data for each hour X number of valid measurement days within each week) / Σ (Total number of valid measurement days within each week)

Example: Hour		Week 1	Week 2	Week 3	Week 4	Monthly
1	Blocking	1%	0.5%	2%	1.5%	1.8%
	# Days	7	7	5	6	
2	Blocking	0%	0%	0.2%	0.3%	.1%
	# Days	7	5	5	7	
3	Blocking	1%	1%	0.5%	2%	1.1%
	# Days	7	7	7	7	5
24	Blocking	1%	0.5%	2%	1.5%	1.2%
	# Days	7	7	5	6	

The monthly weighted average blocking for hour 1 for a particular trunk group is calculated as follows:

$$\frac{(1x5)+(0.5x5)+(2x4)+(1.5x4)}{(5+5+4+4)} = 1.2\%$$

Aggregate Monthly Blocking:

(Monthly weighted average blocking value for each trunk group) X (number of trunks within each trunk group) / Σ (number of trunks in the aggregate group)

Example: Trunk Group	Trunks in Service	Blocking Hour 1	Blocking Hour 2	Blocking Hour 3	Blocking Hour 4	..... Blocking Hour 24
A	24	3%	0%	1%	0%	0%
B	144	2%	0%	1%	0.5%	0.5%
C	528	0%	0.5%	1%	1%	1%
D	316	1%	0%	1%	0.1%	0%
E	940	1%	1%	4%	0%	0%
Aggregate		0.8%	0.6%	2.4%	0.3%	0.3%

The aggregate weighted monthly blocking for hour 1 is calculated as follows:

$$\frac{(3x24)+(2x144)+(0x528)+(1x316)+(1x940)}{(24+144+528+316+940)} = 0.8\%$$

The purpose of the Trunk Group Performance Report is to provide trunk blocking measurements on CLEC and BST trunk groups for comparison only. It is not the intent of the report that it be used for network management and/or engineering.

Report Structure:

- CLEC Specific
- Trunk Group

Level of Disaggregation:

Trunk Group

Data Retained Relating to CLEC Experience	Data Retained Relating to BST Experience
• Report Month • Total Trunk Groups • Number of Trunk Groups by CLEC • Hourly average blocking per trunk group	• Report Month • Total Trunk Groups • Aggregate Hourly average blocking

Retail Analog/Benchmark:
Any 2 hour period in 24 hours where CLEC blockage exceeds BST blockage by more than 0.5% = a miss using trunk groups 1, 3, 4, 5, 10, 16 for CLECs and 9 for BST.

Revision Date: 02/28/00 (tm)

TRUNK GROUP PERFORMANCE

Report/Measurement:

TGP-3. Trunk Group Service Report

Definition:

A report of the percent blocking above the Measured Blocking Threshold (MBT) on all final trunk groups between CLEC Points of Termination and BST end offices or tandems.

Exclusions:

- Trunk groups for which valid traffic data is not available
- High use trunk groups

Business Rules:

Traffic trunking data measurements are validated and processed by the Total Network Data System/Trunking (TNDS/TK), a Telcordia (BellCore) supported application, on an hourly basis for Average Business Days (Monday through Friday). The traffic load sets, including offered load and observed blocking ratio (calls blocked divided by calls attempted), are averaged for a 20 day period, and the busy hour is selected. The busy hour average data for each trunk group is captured for reporting purposes. Although all trunk groups are available for reporting, the report highlight those trunk groups with blocking greater than the Measured Blocking Threshold (MBT) and the number of consecutive monthly reports that the trunk group blocking has exceeded the MBT. The MBT for CTTG is 2% and the MBT for all other trunk groups is 3%.

Calculation:

Measured blocking = (Total number of blocked calls) / (Total number of attempted calls) X 100

Report Structure:

- BST Aggregate
  - CTTG
  - Local
- CLEC Aggregate
  - BST Administered CLEC Trunk
  - CLEC Administered CLEC Trunk
- CLEC Specific
  - BST Administered CLEC Trunk
  - CLEC Administered CLEC Trunk

Level of Disaggregation:

State

Data Retained Relating to CLEC Experience	Data Retained Relating to BST Experience
• Report month • Total trunk groups • Total trunk groups for which data is available • Trunk groups with blocking greater than the MBT • Percent of trunk groups with blocking greater than the MBT	• Report month • Total trunk groups • Total trunk groups for which data is available • Trunk groups with blocking greater than the MBT • Percent of trunk groups with blocking greater than the MBT

Retail Analog/Benchmark:

CLEC Trunk Blockage/BST Trunk Blockage
See Appendix D

Revision Date: 02/28/00 (tm)

TRUNK GROUP PERFORMANCE

Report/Measurement:

TGP-4. Trunk Group Service Detail

Definition:

A detailed list of all final trunk groups between CLEC Points of Presence and BST end offices or tandems, and the actual blocking performance when the blocking exceeds the Measured Blocking Threshold (MBT) for the trunk groups.

Exclusions:

- Trunk groups for which valid traffic data is not available
- High use trunk groups

Business Rules:

Traffic trunking data measurements are validated and processed by the Total Network Data System/Trunking (TNDS/TK), a Telcordia (Bellcore) supported application, on an hourly basis for Average Business Days (Monday through Friday). The traffic load sets, including offered load and observed blocking ratio (calls blocked divided by calls attempted), are averaged for a 20 day period, and the busy hour is selected. The busy hour average data for each trunk group is captured for reporting purposes. Although all trunk groups are available for reporting, the report highlight those trunk groups with blocking greater than the Measured Blocking Threshold (MBT) and the number of consecutive monthly reports that the trunk group blocking has exceeded the MBT. The MBT for CTTG is 2% and the MBT for all other trunk groups is 3%.

Calculation:

Measured Blocking = (Total number of blocked calls) / (Total number of attempted calls) X 100

Report Structure:

• . BST Specific ➢ .Traffic Identity ➢ TGSN ➢ Tandem ➢ End Office ➢ Description ➢ Observed Blocking ➢ Busy Hour ➢ Number Trunks ➢ Valid study days ➢ Number reports ➢ Remarks	• CLEC Specific ➢ Traffic Identity ➢ TGSN ➢ Tandem ➢ CLEC POT ➢ Description ➢ Observed Blocking ➢ Busy Hour ➢ Number Trunks ➢ Valid study days ➢ Number reports ➢ Remarks

Level of Disaggregation:

State

Data Retained Relating to CLEC Experience	Data Retained Relating to BST Experience
• Report month • Total trunk groups • Total trunk groups for which data is available • Trunk groups with blocking greater than the MBT • Percent of trunk groups with blocking greater than the MBT • Traffic identity, TGSN, end points, description, busy hour, valid study days, number reports	• Report month • Total trunk groups • Total trunk groups for which data is available • Trunk groups with blocking greater than the MBT • Percent of trunk groups with blocking greater than the MBT • Traffic identity, TGSN, end points, description, busy hour, valid study days, number reports

Retail Analog/Benchmark:
CLEC Trunk Blockage/BST Blockage See Appendix D

Revision Date: 02/28/00 (tm)

COLLOCATION

Report/Measurement:
C-1. Average Response Time
Definition:
Measures the average time (counted in business days) from the receipt of a complete and accurate collocation application (including receipt of application fees) to the date BellSouth responds in writing.
Exclusions:
• Requests to augment previously completed arrangements • Any application cancelled by the CLEC
Business Rules:
The clock starts on the date that BST receives a complete and accurate collocation application accompanied by the appropriate application fee. The clock stops on the date that BST returns a response. The clock will restart upon receipt of changes to the original application request.
Calculation:
Average Response Time = Σ(Request Response Date) – (Request Submission Date) / Count of Responses Returned within Reporting Period.
Report Structure:
• Individual CLEC (alias) aggregate • Aggregate of all CLECs
Level of Disaggregation:
• State, Region and further geographic disaggregation as required by State Commission Order (e.g. Metropolitan Service Area – MSA) • Virtual • Physical
Data Retained:
• Report period • Aggregate data
Retail Analog/Benchmark:
See Appendix D

Revision Date: 01/27/00 (tg)

COLLOCATION

Report/Measurement:
C-2. Average Arrangement Time
Definition:
Measures the average time from the receipt of a complete and accurate Bona Fide firm order (including receipt of appropriate fee) to the date BST completes the collocation arrangement.
Exclusions:
• Any Bona Fide firm order cancelled by the CLEC • Bona Fide firm orders to augment previously completed arrangements • Time for BST to obtain permits • Time during which the collocation contract is being negotiated
Business Rules:
The clock starts on the date that BST receives a complete and accurate Bona Fide firm order accompanied by the appropriate fee. The clock stops upon submission of the permit request and restarts upon receipt of the approved permit. Changes (affecting the provisioning interval or capital expenditures) that are submitted while provisioning is in progress may alter the completion date. The clock stops on the date that BST completes the collocation arrangement.
Calculation:
Average Arrangement Time = Σ(Date Collocation Arrangement is Complete) – (Date Order for Collocation Arrangement Submitted) / Total Number of Collocation Arrangements Completed during Reporting Period.
Report Structure:
• Individual CLEC (alias) aggregate • Aggregate of all CLECs
Level of Disaggregation:
• State, Region and further geographic disaggregation as required by State Commission Order (e.g. Metropolitan Service Area – MSA) • Virtual • Physical
Data Retained:
• Report period • Aggregate data
Retail Analog/Benchmark:
See Appendix D

Revision Date: 01/27/00 (tg)

COLLOCATION

Report/Measurement:
C-3. Percent of Due Dates Missed
Definition:
Measures the percent of missed due dates for collocation arrangements.
Exclusions:
• Any Bona Fide firm order cancelled by the CLEC • Bona Fide firm orders to augment previously completed arrangements • Time for BST to obtain permits • Time during which the collocation contract is being negotiated
Business Rules:
The clock starts on the date that BST receives a complete and accurate Bona Fide firm order accompanied by the appropriate fee. The clock stops on the date that BST completes the collocation arrangement.
Calculation:
% of Due Dates Missed = Σ (Number of Orders not completed w/i ILEC Committed Due Date during Reporting Period) / Number of Orders Completed in Reporting Period) X 100
Report Structure:
• Individual CLEC (alias) aggregate • Aggregate of all CLECs
Level of Disaggregation:
• State, Region and further geographic disaggregation as required by State Commission Order (e.g. Metropolitan Service Area-MSA) • Virtual • Physical
Data Retained:
• Report period • Aggregate data
Retail Analog/Benchmark:
90% ≤ Commit Date

Revision Date: 01/27/00 (tg)

Appendix A: Reporting Scope*

Standard Service Groupings	*Pre-Order, Ordering* ➢ Resale Residence ➢ Resale Business ➢ Resale Special ➢ Local Interconnection Trunks ➢ UNE ➢ UNE - Loops w/LNP *Provisioning* ➢ UNE Non-Design ➢ UNE Design ➢ Local Interconnection Trunks ➢ Resale Residence ➢ Resale Business ➢ Resale Design ➢ BST Trunks ➢ BST Residence Retail ➢ BST Business Retail ➢ BST Design Retail *Maintenance and Repair* ➢ Local Interconnection Trunks ➢ UNE Non-Design ➢ UNE Design ➢ Resale Residence ➢ Resale Business ➢ Resale Design ➢ BST Interconnection Trunks ➢ BST Residence Retail ➢ BST Business Retail ➢ BST Design Retail Local Interconnection Trunk Group Blockage ➢ BST CTTG Trunk Groups ➢ CLEC Trunk Groups

Appendix A: Reporting Scope*

Standard Service Order Activities *These are the generic BST/CLEC service order activities which are included in the Pre-Ordering, Ordering, and Provisioning sections of this document. It is not meant to indicate specific reporting categories.*	➢ New Service Installations ➢ Service Migrations Without Changes ➢ Service Migrations With Changes ➢ Move and Change Activities ➢ Service Disconnects (Unless noted otherwise)
Pre-Ordering Query Types: **Maintenance Query Types:**	➢ Address ➢ Telephone Number ➢ Appointment Scheduling ➢ Customer Service Record ➢ Feature Availability
Report Levels	➢ CLEC RESH ➢ CLEC MSA ➢ CLEC State ➢ CLEC Region ➢ Aggregate CLEC State ➢ Aggregate CLEC Region ➢ BST State ➢ BST Region

* Scope is report, data source and system dependent, and, therefore, will differ with each report.

Appendix B: Glossary of Acronyms and Terms

A	**ACD**	Automatic Call Distributor - A service that provides status monitoring of agents in a call center and routes high volume incoming telephone calls to available agents while collecting management information on both callers and attendants.
	AGGREGATE	Sum total of all items in like category, e.g. CLEC aggregate equals the sum total of all CLECs' data for a given reporting level.
	ASR	Access Service Request - A request for access service terminating delivery of carrier traffic into a Local Exchange Carrier's network.
	ATLAS	Application for Telephone Number Load Administration System - The BellSouth Operations System used to administer the pool of available telephone numbers and to reserve selected numbers from the pool for use on pending service requests/service orders.
	ATLASTN	ATLAS software contract for Telephone Number
	AUTO CLARIFICATION	The number of LSRs that were electronically rejected from LESOG and electronically returned to the CLEC for correction.
B	**BILLING**	The process and functions by which billing data is collected and by which account information is processed in order to render accurate and timely billing.
	BOCRIS	Business Office Customer Record Information System - A front-end presentation manager used by BellSouth organizations to access the CRIS database.
	BRC	Business Repair Center – The BellSouth Business Systems trouble receipt center which serves large business and CLEC customers.
	BST	BellSouth Telecommunications, Inc.
C	**CKTID**	A unique identifier for elements combined in a service configuration
	CLEC	Competitive Local Exchange Carrier
	CMDS	Centralized Message Distribution System - BellCore administered national system used to transfer specially formatted messages among companies.
	COFFI	Central Office Feature File Interface - A BellSouth Operations System database which maintains Universal Service Order Code (USOC) information based on current tariffs.

Appendix B: Glossary of Acronyms and Terms – Continued

C	**COFIUSOC**	COFFI software contract for feature/service information
	CRIS	Customer Record Information System - The BellSouth proprietary corporate database and billing system for non-access customers and services.
	CRSACCTS	CRIS software contract for CSR information
	CSR	Customer Service Record
	CTTG	Common Transport Trunk Group - Final trunk groups between BST & Independent end offices and the BST access tandems.
D	**DESIGN**	Design Service is defined as any Special or Plain Old Telephone Service Order which requires BellSouth Design Engineering Activities
	DISPOSITION & CAUSE	Types of trouble conditions, e.g. No Trouble Found, Central Office Equipment, Customer Premises Equipment, etc.
	DLETH	Display Lengthy Trouble History - A history report that gives all activity on a line record for trouble reports in LMOS
	DLR	Detail Line Record - All the basic information maintained on a line record in LMOS, e.g. name, address, facilities, features etc.
	DOE	Direct Order Entry System - An internal BellSouth service order entry system used by BellSouth Service Representatives to input business service orders in BellSouth format.
	DSAP	DOE (Direct Order Entry) Support Application - The BellSouth Operations System which assists a Service Representative or similar carrier agent in negotiating service provisioning commitments for non-designed services and UNEs.
	DSAPDDI	DSAP software contract for schedule information
E	**E911**	Provides callers access to the applicable emergency services bureau by dialing a 3-digit universal telephone number.
	EDI	Electronic Data Interchange - The computer-to-computer exchange of inter and/or intra company business documents in a public standard format.
F	**FATAL REJECT**	The number of LSRs that were electronically rejected from LEO, which checks to see of the LSR has all the required fields correctly populated
	FLOW-THROUGH	In the context of this document, LSRs submitted electronically via the CLEC mechanized ordering process that flow through to the BST OSS without manual or human intervention.
	FOC	Firm Order Confirmation - A notification returned to the CLEC confirming that the LSR has been received and accepted, including the specified commitment date.

Appendix B: Glossary of Acronyms and Terms - Continued

G		
H	**HAL**	"Hands Off" Assignment Logic - Front end access and error resolution logic used in interfacing BellSouth Operations Systems such as ATLAS, BOCRIS, LMOS, PSIMS, RSAG and SOCS.
	HALCRIS	HAL software contract for CSR information
I	**ISDN**	Integrated Services Digital Network
K		
L	**LCSC**	Local Carrier Service Center - The BellSouth center which is dedicated to handling CLEC LSRs, ASRs, and Preordering transactions along with associated expedite requests and escalations.
	LEGACY SYSTEM	Term used to refer to BellSouth Operations Support Systems (see OSS)
	LENS	Local Exchange Negotiation System - The BellSouth LAN/web server/OS application developed to provide both preordering and ordering electronic interface functions for CLECs.
	LEO	Local Exchange Ordering - A BellSouth system which accepts the output of EDI, applies edit and formatting checks, and reformats the Local Service Requests in BellSouth Service Order format.
	LESOG	Local Exchange Service Order Generator - A BellSouth system which accepts the service order output of LEO and enters the Service Order into the Service Order Control System using terminal emulation technology.
	LMOS	Loop Maintenance Operations System - A BellSouth Operations System that stores the assignment and selected account information for use by downstream OSS and BellSouth personnel during provisioning and maintenance activities.
	LMOS HOST	LMOS host computer
	LMOSupd	LMOS updates
	LNP	Local Number Portability - In the context of this document, the capability for a subscriber to retain his current telephone number as he transfers to a different local service provider.
	LOOPS	Transmission paths from the central office to the customer premises.
	LSR	Local Service Request – A request for local resale service or unbundled network elements from a CLEC.
M	**MAINTENANCE & REPAIR**	The process and function by which trouble reports are passed to BellSouth and by which the related service problems are resolved.
	MARCH	A BellSouth Operations System which accepts service orders, interprets the coding contained in the service order image, and constructs the specific switching system Recent Change command messages for input into end office switches.

Appendix B: Glossary of Acronyms and Terms – Continued

N	NC	"No Circuits" - All circuits busy announcement
O	OASIS	Obtain Availability Services Information System - A BellSouth front-end processor, which acts as an interface between COFFI and RNS. This system takes the USOCs in COFFI and translates them to English for display in RNS.
	OASISBSN	OASIS software contract for feature/service
	OASISCAR	OASIS software contract for feature/service
	OASISLPC	OASIS software contract for feature/service
	OASISMTN	OASIS software contract for feature/service
	OASISNET	OASIS software contract for feature/service
	OASISOCP	OASIS software contract for feature/service
	ORDERING	The process and functions by which resale services or unbundled network elements are ordered from BellSouth as well as the process by which an LSR or ASR is placed with BellSouth.
	OSPCM	Outside Plant Contract Management System - Provides Scheduling Information.
	OSS	Operations Support System - A support system or database which is used to mechanize the flow or performance of work. The term is used to refer to the overall system consisting of hardware complex, computer operating system(s), and application which is used to provide the support functions.
	OUT OF SERVICE	Customer has no dial tone and cannot call out.
P	POTS	Plain Old Telephone Service
	PREDICTOR	The BellSouth Operations system which is used to administer proactive maintenance and rehabilitation activities on outside plant facilities, provide access to selected work groups (e.g. RRC & BRC) to Mechanized Loop Testing and switching system I/O ports, and provide certain information regarding the attributes and capabilities of outside plant facilities.
	PREORDERING	The process and functions by which vital information is obtained, verified, or validated prior to placing a service request.
	PROVISIONING	The process and functions by which necessary work is performed to activate a service requested via an LSR or ASR and to initiate the proper billing and accounting functions.
	PSIMS	Product/Service Inventory Management System - A BellSouth database Operations System which contains availability information on switching system features and capabilities and on BellSouth service availability. This database is used to verify the availability of a feature or service in an NXX prior to making a commitment to the customer.
	PSIMSORB	PSIMS software contract for feature/service

Appendix B: Glossary of Acronyms and Terms – Continued

Q		
R	**RNS**	Regional Negotiation System - An internal BellSouth service order entry system used by BellSouth Consumer Services to input service orders in BellSouth format.
	RRC	Residence Repair Center - The BellSouth Consumer Services trouble receipt center which serves residential customers.
	RSAG	Regional Street Address Guide - The BellSouth database, which contains street addresses validated to be accurate with state and local governments.
	RSAGADDR	RSAG software contract for address search
	RSAGTN	RSAG software contract for telephone number search
S	**SOCS**	Service Order Control System - The BellSouth Operations System which routes service order images among BellSouth drop points and BellSouth Operations Systems during the service provisioning process.
	SOIR	Service Order Interface Record - any change effecting activity to a customer account by service order that impacts 911/E911.
T	**TAFI**	Trouble Analysis Facilitation Interface - The BellSouth Operations System that supports trouble receipt center personnel in taking and handling customer trouble reports.
	TAG	Telecommunications Access Gateway – TAG was designed to provide an electronic interface, or machine-to-machine interface for the bi-directional flow of information between BellSouth's OSSs and participating CLECs.
	TN	Telephone Number
	TOTAL MANUAL FALLOUT	The number of LSRs which are entered electronically but require manual entering into a service order generator.
U	**UNE**	Unbundled Network Element
V		
W	**WTN**	A unique identifier for elements combined in a service configuration
X		
Y		
Z		
Σ		Sum of:

Appendix C

BELLSOUTH'S AUDIT POLICY:

BellSouth currently provides many CLECs with certain audit rights as a part of their individual interconnection agreements. However, it is not reasonable for BellSouth to undergo an audit of the SQM for every CLEC with which it has a contract. BellSouth has developed a proposed Audit Plan for use by the parties to an audit. If requested by a Public Service Commission or by a CLEC exercising contractual audit rights, BellSouth will agree to undergo a comprehensive audit of the aggregate level reports for both BellSouth and the CLEC(s) for each of the next five (5) years (2000 – 2005), to be conducted by an independent third party. The results of that audit will be made available to all the parties subject to proper safeguards to protect proprietary information. This aggregate level audit includes the following specifications:

1. The cost shall be borne 50% by BellSouth and 50% by the CLEC or CLECs.

2. The independent third party auditor shall be selected with input from BellSouth, the PSC, if applicable, and the CLEC(s).

3. BellSouth, the PSC and the CLEC(s) shall jointly determine the scope of the audit.

BellSouth reserves the right to make changes to this audit policy as growth and changes in the industry dictate.

APPENDIX D Analogs and Benchmarks				
BST SQM Category	**MEASURES AND SUB-METRICS**	**RESALE** Retail Analogue	**UNEs** Retail Analogue	Benchmark*
Pre-Ordering	**Percent Response Received within "X" seconds**	Parity w/ retail where applicable.		
	OSS Interface Availability			99.5%
Ordering	**Percent Flow-Through Service Request** • Residence • Business • UNE			90% 80% 80%
	Percent Rejected Service Request	Diagnostic		Diagnostic.
	Reject Interval (Mechanized)	UD	UD	95% within 1 hrs
	• Reject Interval (Non-Mechanized and Partially Mechanized)	UD	UD	85% < 24 hrs
	Firm Order Confirmation Timeliness (Mechanized) (Non-Mechanized and Partially Mechanized)	UD	UD	95% within 4 hrs 85% <48 Hrs
	Speed of Answer in Ordering Center	X	X	
Provisioning	**Mean Held Order Interval**			
	• Resale Residence	X		
	• Resale Business	X		
	• Resale Design	X		
	• Resale PBX	X		
	• Resale Centrex	X		
	• Resale IDSN	X		
	• UNE Loop and Port Combos		Retail Residence and Business	
	• UNE 2w Loop with NP – Non-Design		Retail Residence and Business	
	• UNE 2w Loop without NP – Non-Design		Retail Residence and Business	
	• UNE Loop Other with NP Non-Design		Retail Residence and Business	
	• UNE Loop Other without NP Non-Design		Retail Residence and Business	
	• UNE Other Non Design		Retail Residence and Business	
	• UNE 2w Loop with NP – Design		Retail Residence and Business	

APPENDIX D
Analogs and Benchmarks

BST SQM Category	MEASURES AND SUB-METRICS	RESALE Retail Analogue	UNEs Retail Analogue	Benchmark*
	• UNE 2w Loop without NP – Design		Retail Residence and Business	
	• UNE Loop Other with NP – Design		Retail Design	
	• UNE Loop Other without NP - Design		Retail Design	
	• UNE Other Design		Retail Design	
	• Local Interconnection Trunks	X		
	Average Jeopardy Notice Interval (Mechanized)			
	• Resale Residence			95% >=24 Hrs.
	• Resale Business			95% >=24 Hrs.
	• Resale Design			95% >=24 Hrs.
	• Resale PBX			95% >=24 Hrs.
	• Resale Centrex			95% >=24 Hrs.
	• Resale IDSN			95% >=24 Hrs.
	• UNE Loop and Port Combos			95% >=24 Hrs.
	• UNE 2w Loop with NP – Non-Design			95% >=24 Hrs.
	• UNE 2w Loop without NP – Non-Design			95% >=24 Hrs.
	• UNE Loop Other with NP Non-Design			95% >=24 Hrs.
	• UNE Loop Other without NP Non-Design			95% >=24 Hrs.
	• UNE Other Non Design			95% >=24 Hrs.
	• UNE 2w Loop with NP – Design			95% >=24 Hrs.
	• UNE 2w Loop without NP – Design			95% >=24 Hrs.
	• UNE Loop Other with NP – Design			95% >=24 Hrs.
	• UNE Loop Other without NP - Design			95% >=24 Hrs.
	• UNE Other Design			95% >=24 Hrs.
	• Local Interconnection Trunks			
	% of Orders given jeopardy notice (Mechanized)			
	• Resale Residence	X		
	• Resale Business	X		
	• Resale Design	X		
	• Resale PBX	X		
	• Resale Centrex	X		
	• Resale IDSN	X		
	• UNE Loop and Port Combos		Retail Residence and Business	

APPENDIX D
Analogs and Benchmarks

BST SQM Category	MEASURES AND SUB-METRICS	RESALE Retail Analogue	UNEs Retail Analogue	Benchmark*
	• UNE 2w Loop with NP – Non-Design		Retail Residence and Business	
	• UNE 2w Loop without NP – Non-Design		Retail Residence and Business	
	• UNE Loop Other with NP Non-Design		Retail Residence and Business	
	• UNE Loop Other without NP Non-Design		Retail Residence and Business	
	• UNE Other Non Design		Retail Residence and Business	
	• UNE 2w Loop with NP – Design		Retail Residence and Business	
	• UNE 2w Loop without NP – Design		Retail Residence and Business	
	• UNE Loop Other with NP – Design		Retail Design	
	• UNE Loop Other without NP - Design		Retail Design	
	• UNE Other Design		Retail Design	
	• Local Interconnection Trunks	X		
	Percent Missed Installation Appointments			
	• Resale Residence	X		
	• Resale Business	X		
	• Resale Design	X		
	• Resale PBX	X		
	• Resale Centrex	X		
	• Resale IDSN	X		
	• UNE Loop and Port Combos		Retail Residence and Business	
	• UNE 2w Loop with NP – Non-Design		Retail Residence and Business	
	• UNE 2w Loop without NP – Non-Design		Retail Residence and Business	
	• UNE Loop Other with NP Non-Design		Retail Residence and Business	
	• UNE Loop Other without NP Non-Design		Retail Residence and Business	
	• UNE Other Non Design		Retail Residence and Business	
	• UNE 2w Loop with NP – Design		Retail Residence and Business	
	• UNE 2w Loop without NP – Design		Retail Residence and Business	
	• UNE Loop Other with NP – Design		Retail Design	
	• UNE Loop Other without NP – Design		Retail Design	
	• UNE Other Design		Retail Design	
	• Local Interconnection Trunks	X		
	Order Completion Interval			
	• Resale Residence	X		

APPENDIX D
Analogs and Benchmarks

BST SQM Category	MEASURES AND SUB-METRICS	RESALE Retail Analogue	UNEs Retail Analogue	Benchmark*
	• Resale Business	X		
	• Resale Design	X		
	• Resale PBX	X		
	• Resale Centrex	X		
	• Resale IDSN	X		
	• UNE Loop and Port Combos		Retail Residence and Business	
	• UNE 2w Loop with NP – Non-Design		Retail Residence and Business	
	• UNE 2w Loop without NP – Non-Design		Retail Residence and Business	
	• UNE Loop Other with NP Non-Design		Retail Residence and Business	
	• UNE Loop Other without NP Non-Design		Retail Residence and Business	
	• UNE Other Non Design		Retail Residence and Business	
	• UNE 2w Loop with NP – Design		Retail Residence and Business	
	• UNE 2w Loop without NP – Design		Retail Residence and Business	
	• UNE Loop Other with NP – Design		Retail Design	
	• UNE Loop Other without NP - Design		Retail Design	
	• UNE Other Design		Retail Design	
	• Local Interconnection Trunks	X		
	Average Completion Notice Interval – Resale POTS (Mech)			
	• Resale Residence	X		
	• Resale Business	X		
	• Resale Design	X		
	• Resale PBX	X		
	• Resale Centrex	X		
	• Resale IDSN	X		
	• UNE Loop and Port Combos		Retail Residence and Business	
	• UNE 2w Loop with NP – Non-Design		Retail Residence and Business	
	• UNE 2w Loop without NP – Non-Design		Retail Residence and Business	
	• UNE Loop Other with NP Non-Design		Retail Residence and Business	
	• UNE Loop Other without NP Non-Design		Retail Residence and Business	
	• UNE Other Non Design		Retail Residence and Business	
	• UNE 2w Loop with NP – Design		Retail Residence and Business	
	• UNE 2w Loop without NP – Design		Retail Residence and Business	

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Analogs and Benchmarks

BST SQM Category	MEASURES AND SUB-METRICS	RESALE Retail Analogue	UNEs Retail Analogue	Benchmark*
	• UNE Loop Other with NP – Design		Retail Design	
	• UNE Loop Other without NP - Design		Retail Design	
	• UNE Other Design		Retail Design	
	• Local Interconnection Trunks	X		
	Percent Provisioning Troubles within 30 Days			
	• Resale Residence	X		
	• Resale Business	X		
	• Resale Design	X		
	• Resale PBX	X		
	• Resale Centrex	X		
	• Resale IDSN	X		
	• UNE Loop and Port Combos		Retail Residence and Business	
	• UNE 2w Loop with NP – Non-Design		Retail Residence and Business	
	• UNE 2w Loop without NP – Non-Design		Retail Residence and Business	
	• UNE Loop Other with NP Non-Design		Retail Residence and Business	
	• UNE Loop Other without NP Non-Design		Retail Residence and Business	
	• UNE Other Non Design		Retail Residence and Business	
	• UNE 2w Loop with NP – Design		Retail Residence and Business	
	• UNE 2w Loop without NP – Design		Retail Residence and Business	
	• UNE Loop Other with NP – Design		Retail Design	
	• UNE Loop Other without NP - Design		Retail Design	
	• UNE Other Design		Retail Design	
	• Local Interconnection Trunks	X		
	Total Service Order Cycle Time	Diag.	Diagnostic	Diagnostic
Maintenance	**Customer Trouble Report Rate**			
	• Resale Residence	X		
	• Resale Business	X		
	• Resale Design	X		
	• Resale PBX	X		
	• Resale Centrex	X		
	• Resale IDSN	X		
	• UNE Loop and Port Combos		Retail Residence and Business	

APPENDIX D
Analogs and Benchmarks

BST SQM Category	MEASURES AND SUB-METRICS	RESALE Retail Analogue	UNEs Retail Analogue	Benchmark*
	• UNE 2w Loop – Non-Design		Retail Residence and Business	
	• UNE Loop Other - Non-Design		Retail Residence and Business	
	• UNE Other Non Design		Retail Residence and Business	
	• UNE 2w Loop – Design		Retail Residence and Business	
	• UNE Loop Other – Design		Retail Design	
	• UNE Other Design		Retail Design	
	• Local Interconnection Trunks	X		
	Percent Missed Repair Appointments			
	• Resale Residence	X		
	• Resale Business	X		
	• Resale Design	X		
	• Resale PBX	X		
	• Resale Centrex	X		
	• Resale IDSN	X		
	• UNE Loop and Port Combos		Retail Residence and Business	
	• UNE 2w Loop – Non-Design		Retail Residence and Business	
	• UNE Loop Other - Non-Design		Retail Residence and Business	
	• UNE Other Non Design		Retail Residence and Business	
	• UNE 2w Loop – Design		Retail Residence and Business	
	• UNE Loop Other – Design		Retail Design	
	• UNE Other Design		Retail Design	
	• Local Interconnection Trunks	X		
	Maintenance Average Duration			
	• Resale Residence	X		
	• Resale Business	X		
	• Resale Design	X		
	• Resale PBX	X		
	• Resale Centrex	X		
	• Resale IDSN	X		
	• UNE Loop and Port Combos		Retail Residence and Business	
	• UNE 2w Loop – Non-Design		Retail Residence and Business	
	• UNE Loop Other - Non-Design		Retail Residence and Business	

APPENDIX D
Analogs and Benchmarks

BST SQM Category	MEASURES AND SUB-METRICS	RESALE Retail Analogue	UNEs Retail Analogue	Benchmark*
	• UNE Other Non Design		Retail Residence and Business	
	• UNE 2w Loop – Design		Retail Residence and Business	
	• UNE Loop Other – Design		Retail Design	
	• UNE Other Design		Retail Design	
	• Local Interconnection Trunks	X		
	Percent Repeat Troubles within 30 Days			
	• Resale Residence	X		
	• Resale Business	X		
	• Resale Design	X		
	• Resale PBX	X		
	• Resale Centrex	X		
	• Resale IDSN	X		
	• UNE Loop and Port Combos		Retail Residence and Business	
	• UNE 2w Loop – Non-Design		Retail Residence and Business	
	• UNE Loop Other - Non-Design		Retail Residence and Business	
	• UNE Other Non Design		Retail Residence and Business	
	• UNE 2w Loop – Design		Retail Residence and Business	
	• UNE Loop Other – Design		Retail Design	
	• UNE Other Design		Retail Design	
	• Local Interconnection Trunks	X		
	Out of Service > 24hrs			
	• Resale Residence	X		
	• Resale Business	X		
	• Resale Design	X		
	• Resale PBX	X		
	• Resale Centrex	X		
	• Resale IDSN	X		
	• UNE Loop and Port Combos		Retail Residence and Business	
	• UNE 2w Loop – Non-Design		Retail Residence and Business	
	• UNE Loop Other - Non-Design		Retail Residence and Business	
	• UNE Other Non Design		Retail Residence and Business	
	• UNE 2w Loop – Design		Retail Residence and Business	

APPENDIX D
Analogs and Benchmarks

BST SQM Category	MEASURES AND SUB-METRICS	RESALE Retail Analogue	UNEs Retail Analogue	Benchmark*
	• UNE Loop Other – Design		Retail Design	
	• UNE Other Design		Retail Design	
	• Local Interconnection Trunks	X		
	OSS Interface Availability • All systems except ECTA	X		
	• ECTA			99.5%
	OSS Response Interval and % • TAFI (Front End) • CRIS, DLETH, DLR, OSPCM, LMOS, LMOSUP, MARCH, Predictor, SOCS, LNP (Parity by Design)	X PBD		
	Average Answer Time – Repair Center	X		
Billing	**Invoice Accuracy**	X		
	Mean Time To Deliver Invoices	X		
	Usage Data Delivery Accuracy	X		
	Usage Data Delivery Timeliness	X		
	Usage Data Delivery Completeness	X		
	Mean Time to Deliver Usage	X		
Operator Services (Toll)	**Average Speed to Answer**	PBD		
	% Answered in "X" Seconds	PBD		
Directory Assistance	**Average Speed to Answer**	PBD		
	% Answered in "X" Seconds	PBD		
E911	**Timelinesss**	PBD		
	Accuracy	PBD		
	Mean Interval	PBD		
Trunk Group	**Trunk Group Service Report (Percent Trunk Blockage)**	X		

APPENDIX D
Analogs and Benchmarks

BST SQM Category	MEASURES AND SUB-METRICS	RESALE Retail Analogue	UNEs Retail Analogue	Benchmark*
Performance (Blockage)	Any 2 hour period in 24 hours where CLEC blockage exceeds BST blockage by more than 0.5% = a miss using trunk groups 1, 3, 4, 5, 10, 16 for CLECs and 9 for BST.			
	Trunk Group Service Report (Percent Trunk Blockage)	X		
LNP	**Average Disconnect Timeliness Interval**			
	Percent Missed Installation Appointments		Retail Residence and Business	
	FOC Mechanized			95% ≤4 hours
	% Reject Service Request **Average Reject Interval Mechanized**		Diagnostic	95% ≤1 hour
	TSOC		Diagnostic	
	% Flow Through			80%
Customer Coordinated Conversions	**Coordinated Customer Conversions – UNE Loop**			95% ≤ 15min
	Coordinated Customer Conversions – LNP			95% ≤ 15 min
Collocation +	**% of Due Dates Missed**			90% ≤ Commit Date
	Average Response Time		FL PSC is addressing this in generic docket	
+A contract with each CLEC required.	**Average Arrangement Time**		FL PSC is addressing this in generic docket	

Note 1: PBD = Parity by Design. UD = Under Development – Benchmarks will be replaced when Analogs are complete.

Note2: The retail analog for UNE Non-Design and UNE 2w Loops – Design is the average of Retail Residence Dispatch and Retail Business Dispatch transactions for the particular month. The retail analog for other UNE Design is Retail Design Dispatch.

Note3: Analogs and Benchmarks will be re-evaluated periodically, at least once a year, to validate applicability.

EXHIBIT B

VSEEMIII TIER-1 SUBMETRICS

- FOC Timeliness (Mechanized only)
- Reject Interval (Mechanized only)
- Order Completion Interval (Dispatch only) – Resale POTS
- Order Completion Interval (Dispatch only) – Resale Design
- Order Completion Interval (No Dispatch only) – UNE Loop and Port Combos
- Order Completion Interval ('w' code orders, Dispatch only) – UNE Loops
- Order Completion Interval (Dispatch only) – IC Trunks
- Percent Missed Installation Appointments – Resale POTS
- Percent Missed Installation Appointments – Resale Design
- Percent Missed Installation Appointments – UNE Loop and Port Combos
- Percent Missed Installation Appointments – UNE Loops
- Percent Provisioning Troubles within 4 Days - Resale POTS
- Percent Provisioning Troubles within 4 Days - Resale Design
- Percent Provisioning Troubles within 4 Days - UNE Loop and Port Combos
- Percent Provisioning Troubles within 4 Days - UNE Loops
- Customer Trouble Report Rate – Resale POTS
- Customer Trouble Report Rate – Resale Design
- Customer Trouble Report Rate - UNE Loop and Port Combos
- Customer Trouble Report Rate - UNE Loops
- Percent Missed Repair Appointments – Resale POTS
- Percent Missed Repair Appointments - Resale Design
- Percent Missed Repair Appointments - UNE Loop and Port Combos
- Percent Missed Repair Appointments - UNE Loops
- Maintenance Average Duration – Resale POTS
- Maintenance Average Duration – Resale Design
- Maintenance Average Duration - UNE Loop and Port Combos
- Maintenance Average Duration - UNE Loops
- Maintenance Average Duration – IC Trunks
- Percent Repeat Troubles within 30 Days – Resale POTS
- Percent Repeat Troubles within 30 Days – Resale Design
- Percent Repeat Troubles within 30 Days - UNE Loop and Port Combos
- Percent Repeat Troubles within 30 Days - UNE Loops
- Percent Trunk Blockage
- LNP Disconnect Timeliness
- LNP Percent Missed Installation Appointment
- Coordinated Customer Conversions for UNE Loops
- Coordinated Customer Conversions for LNP
- Percent Missed Collocation Due Dates

VSEEMIII TIER-2 SUBMETRICS

- Percent Response Received within "X" seconds – Pre-Order OSS
- OSS Interface Availability
- Order Process Percent Flow-Through (Mechanized only)
- Order Completion Interval (Dispatch only) – Resale POTS
- Order Completion Interval (Dispatch only) – Resale Design
- Order Completion Interval (No Dispatch only) – UNE Loop and Port Combos
- Order Completion Interval ('w' code orders, Dispatch only) – UNE Loops
- Order Completion Interval (Dispatch only) – IC Trunks
- Percent Missed Installation Appointments – Resale POTS
- Percent Missed Installation Appointments – Resale Design
- Percent Missed Installation Appointments – UNE Loop and Port Combos
- Percent Missed Installation Appointments – UNE Loops
- Percent Provisioning Troubles within 4 Days - Resale POTS
- Percent Provisioning Troubles within 4 Days - Resale Design
- Percent Provisioning Troubles within 4 Days - UNE Loop and Port Combos
- Percent Provisioning Troubles within 4 Days - UNE Loops
- Customer Trouble Report Rate – Resale POTS
- Customer Trouble Report Rate – Resale Design
- Customer Trouble Report Rate - UNE Loop and Port Combos
- Customer Trouble Report Rate - UNE Loops
- Percent Missed Repair Appointments – Resale POTS
- Percent Missed Repair Appointments - Resale Design
- Percent Missed Repair Appointments - UNE Loop and Port Combos
- Percent Missed Repair Appointments - UNE Loops
- Maintenance Average Duration – Resale POTS
- Maintenance Average Duration – Resale Design
- Maintenance Average Duration - UNE Loop and Port Combos
- Maintenance Average Duration - UNE Loops
- Maintenance Average Duration – IC Trunks
- Percent Repeat Troubles within 30 Days – Resale POTS
- Percent Repeat Troubles within 30 Days – Resale Design
- Percent Repeat Troubles within 30 Days - UNE Loop and Port Combos
- Percent Repeat Troubles within 30 Days - UNE Loops
- Billing Timeliness
- Billing Accuracy
- Usage Data Delivery Timeliness
- Usage Data Delivery Accuracy
- Percent Trunk Blockage
- LNP Disconnect Timeliness
- LNP Percent Missed Installation Appointment
- Coordinated Customer Conversions for UNE Loops
- Coordinated Customer Conversions for LNP
- Percent Missed Collocation Due Dates

VSEEMIII TIER-3 SUBMETRICS

- ☒ Percent Missed Installation Appointments – Resale POTS
- ☐ Percent Missed Installation Appointments – Resale Design
- ☒ Percent Missed Installation Appointments – UNE Loop and Port Combos
- ☐ Percent Missed Installation Appointments – UNE Loops
- ☐ Percent Missed Repair Appointments – Resale POTS
- ☒ Percent Missed Repair Appointments - Resale Design
- ☐ Percent Missed Repair Appointments - UNE Loop and Port Combos
- ☐ Percent Missed Repair Appointments - UNE Loops
- ☐ Billing Timeliness
- ☐ Billing Accuracy
- ☐ Percent Trunk Blockage
- ☐ Percent Missed Collocation Due Dates

VSEEM III	*MEASURES AND SUB-METRICS*	**Retail Analogue** Resale (x) and UNEs	**Benchmark**
Pre-Ordering	Percent Response Received within "X" seconds	Retail Analogue + 4 sec	
	OSS Interface Availability	x	
Ordering	Percent Flow-Through Service Request (Fully Mechanized only)		90%
	Firm Order Confirmation Timeliness (Mechanized only)		95% < 4 hrs
	Reject Interval (Mechanized only)		95% < 1 hrs
Provisioning	Order Completion Interval (Dispatch only) – Resale POTS	x	
	Order Completion Interval (Dispatch only) – Resale Design	x	
	Order Completion Interval (No Dispatch only) – UNE Loop & Port Combos	Retail Residence and Business	
	Order Completion Interval (Dispatch only) – UNE Loops	Design: Retail Design Dispatch 'w' Orders Non-Design: Retail Res, Bus Dispatch 'w' Orders	
	Order Completion Interval (Dispatch only) – IC Trunks	x	
	Percent Missed Installation Appointments – Resale POTS	x	
	Percent Missed Installation Appointments – Resale Design	x	
	Percent Missed Installation Appointments – UNE Loop and Port Combos	Retail Residence and Business	
	Percent Missed Installation Appointments – UNE Loops	Design: Retail Design [1] Non-Design: Retail Res, Bus [1]	
	Percent Provisioning Troubles within 4 Days - Resale POTS	x	
	Percent Provisioning Troubles within 4 Days - Resale Design	x	
	Percent Provisioning Troubles within 4 Days - UNE Loop and Port Combos	Retail Residence and Business	
	Percent Provisioning Troubles within 4 Days - UNE Loops	Design: Retail Design [1] Non-Design: Retail Res, Bus [1]	
Maintenance	Customer Trouble Report Rate – Resale POTS	x	
	Customer Trouble Report Rate – Resale Design	x	
	Customer Trouble Report Rate - UNE Loop and Port Combos	Retail Residence and Business	
	Customer Trouble Report Rate - UNE Loops	Design: Retail Design [1] Non-Design: Retail Res, Bus [1]	
	Percent Missed Repair Appointments – Resale POTS	x	
	Percent Missed Repair Appointments - Resale Design	x	
	Percent Missed Repair Appointments - UNE Loop and Port Combos	Retail Residence and Business	
	Percent Missed Repair Appointments - UNE Loops	Design: Retail Design [1] Non-Design: Retail Res, Bus [1]	

NOTES: [1] The retail analog for UNE Non-Design is the average of all retail residence and retail business transactions for the particular month. The retail analog for UNE Design is calculated similarly using retail residence, business and design results.
[2] UD = Under Development

Maintenance Continued	Maintenance Average Duration – Resale POTS	x	
	Maintenance Average Duration – Resale Design	x	
	Maintenance Average Duration - UNE Loop and Port Combos	Retail Residence and Business	
	Maintenance Average Duration - UNE Loops	Design: Retail Design [1] Non-Design: Retail Res, Bus [1]	
	Maintenance Average Duration – IC Trunks	x	
	Percent Repeat Troubles within 30 Days – Resale POTS	x	
	Percent Repeat Troubles within 30 Days – Resale Design	x	
	Percent Repeat Troubles within 30 Days - UNE Loop and Port Combos	Retail Residence and Business	
	Percent Repeat Troubles within 30 Days - UNE Loops	Design: Retail Design [1] Non-Design: Retail Res, Bus [1]	
Billing	Invoice Accuracy	x	
	Mean Time To Deliver Invoices	x	
	Usage Data Delivery Accuracy	x	
	Usage Data Delivery Timeliness	x	
Trunk Blockage	Trunk Group Service Report (Percent Trunk Blockage)	x	
LNP	Average Disconnect Timeliness Interval		UD [2]
	Percent Missed Installation Appointments		UD [2]
CC Conversions	Coordinated Customer Conversions – UNE Loop		95% < 15min
	Coordinated Customer Conversions – LNP		95% ≤ 15 min
Collocation	% of Due Dates Missed		< 10%

NOTES:

[1] The retail analog for UNE Non-Design is the average of all retail residence and retail business transactions for the particular month. The retail analog for UNE Design is calculated similarly using retail residence, business and design results.

[2] UD = Under Development

EXHIBIT C

Statistical Methods for BellSouth Performance Measure Analysis

I. Necessary Properties for a Test Methodology

The statistical process for testing if competing local exchange carriers (CLECs) customers are being treat equally with BellSouth (BST) customers involves more than just a mathematical formula. Three key elements need to be considered before an appropriate decision process can be developed. These are

- the type of data,
- the type of comparison, and
- the type of performance measure.

Once these elements are determined a test methodology should be developed that complies with the following properties.

- Like-to-Like Comparisons. When possible, data should be compared at appropriate levels, e.g. wire center, time of month, dispatched, residential, new orders. The testing process should:
  - Identify variables that may affect the performance measure.
  - Record these important confounding covariates.
  - Adjust for the observed covariates in order to remove potential biases and to make the CLEC and the ILEC units as comparable as possible.
- Aggregate Level Test Statistic. Each performance measure of interest should be summarized by one overall test statistic giving the decision maker a rule that determines whether a statistically significant difference exists. The test statistic should have the following properties.
  - The method should provide a single overall index, on a standard scale.
  - If entries in comparison cells are exactly proportional over a covariate, the aggregated index should be very nearly the same as if comparisons on the covariate had not been done.
  - The contribution of each comparison cell should depend on the number of observations in the cell.
  - Cancellation between comparison cells should be limited.
  - The index should be a continuous function of the observations.
- Production Mode Process. The decision system must be developed so that it does not require intermediate manual intervention, i.e. the process must be a "black box."
  - Calculations are well defined for possible eventualities.

- The decision process is an algorithm that needs no manual intervention.
- Results should be arrived at in a timely manner.
- The system must recognize that resources are needed for other performance measure-related processes that also must be run in a timely manner.
- The system should be auditable, and adjustable over time.

- Balancing. The testing methodology should balance Type I and Type II Error probabilities.
  - P(Type I Error) = P(Type II Error) for well defined null and alternative hypotheses.
  - The formula for a test's balancing critical value should be simple enough to calculate using standard mathematical functions, i.e. one should avoid methods that require computationally intensive techniques.
  - Little to no information beyond the null hypothesis, the alternative hypothesis, and the number of observations should be required for calculating the balancing critical value.

In the following sections we describe appropriate testing processes that adhere as much as possible to the testing principles.

Measurement Types

The performance measures that will undergo testing are of three types:

1) means
2) proportions, and
3) rates

While all three have similar characteristics (a proportion is the average of a measure that takes on only the values of 0 or 1), a proportion or rate is derived from count data while a mean is generally an average of interval measurements.

II. Testing Methodology – The Truncated Z

Many covariates are chosen in order to provide deep comparison levels. In each comparison cell, a Z statistic is calculated. The form of the Z statistic may vary depending on the performance measure, but it should be distributed approximately as a standard normal, with mean zero and variance equal to one. Assuming that the test

statistic is derived so that it is negative when the performance for the CLEC is worse than for the ILEC, a positive truncation is done – i.e. if the result is negative it is left alone, if the result is positive it is changed to zero. A weighted average of the truncated statistics is calculated where a cell weight depends on the volume of BST and CLEC orders in the cell. The weighted average is re-centered by the theoretical mean of a truncated distribution, and this is divided by the standard error of the weighted average. The standard error is computed assuming a fixed effects model.

Proportion Measures

For performance measures that are calculated as a proportion, in each adjustment cell, the truncated Z and the moments for the truncated Z can be calculated in a direct manner. In adjustment cells where proportions are not close to zero or one, and where the sample sizes are reasonably large, a normal approximation can be used. In this case, the moments for the truncated Z come directly from properties of the standard normal distribution. If the normal approximation is not appropriate, then the Z statistic is calculated from the hypergeometric distribution. In this case, the moments of the truncated Z are calculated exactly using the hypergeometric probabilities.

Rate Measures

The truncated Z methodology for rate measures has the same general structure for calculating the Z in each cell as proportion measures. For a rate measure, there are a fixed number of circuits or units for the CLEC, n_{2j} and a fixed number of units for BST, n_{1j}. Suppose that the performance measure is a "trouble rate." The modeling assumption is that the occurrence of a trouble is independent between units and the number of troubles in n circuits follows a Poisson distribution with mean λ n where λ is the probability of a trouble in 1 circuit and n is the number of circuits.

In an adjustment cell, if the number of CLEC troubles is greater than 15 and the number of BST troubles is greater than 15, then the Z test is calculated using the normal approximation to the Poisson. In this case, the moments of the truncated Z come directly from properties of the standard normal distribution. Otherwise, if there are very few troubles, the number of CLEC troubles can be modeled using a binomial distribution with n equal to the total number of troubles (CLEC plus BST troubles.) In this case, the moments for the truncated Z are calculated explicitly using the binomial distribution.

Mean Measures

For mean measures, an adjusted t statistic is calculated for each like-to-like cell which has at least 7 BST and 7 CLEC transactions. A permutation test is used when one or both of the BST and CLEC sample sizes is less than 6. Both the adjusted t statistic and the permutation calculation are described in the technical appendix.

APPENDIX
TECHNICAL DESCRIPTION

We start by assuming that any necessary trimming of the data is complete, and that the data are disaggregated so that comparisons are made within appropriate classes or adjustment cells that define "like" observations.

Notation and Exact Testing Distributions

Below, we have detailed the basic notation for the construction of the truncated z statistic. In what follows the word "cell" should be taken to mean a like-to-like comparison cell that has both one (or more) ILEC observation and one (or more) CLEC observation.

L = the total number of occupied cells

j = $1,\ldots,L$; an index for the cells

n_{1j} = the number of ILEC transactions in cell j

n_{2j} = the number of CLEC transactions in cell j

n_j = the total number transactions in cell j; $n_{1j}+ n_{2j}$

X_{1jk} = individual ILEC transactions in cell j; $k = 1,\ldots, n_{1j}$

X_{2jk} = individual CLEC transactions in cell j; $k = 1,\ldots, n_{2j}$

Y_{jk} = individual transaction (both ILEC and CLEC) in cell j

$$= \begin{cases} X_{1jk} & k = 1,K\ ,n_{1j} \\ X_{2jk} & k = n_{1j}+1,K\ ,n_j \end{cases}$$

$\Phi^{-1}(\cdot)$ = the inverse of the cumulative standard normal distribution function

For Mean Performance Measures the following additional notation is needed.

$\overline{X}_{1j}$ = the ILEC sample mean of cell j

$\overline{X}_{2j}$ = the CLEC sample mean of cell j

s_{1j}^2 = the ILEC sample variance in cell j

s_{2j}^2 = the CLEC sample variance in cell j

y_{jk} = a random sample of size n_{2j} from the set of $Y_{j1},K\ ,Y_{jn_j}$; $k = 1,\ldots,n_{2j}$

M_j = the total number of distinct pairs of samples of size n_{1j} and n_{2j};

$$= \binom{n_j}{n_{1j}}$$

The exact parity test is the permutation test based on the "modified Z" statistic. For large samples, we can avoid permutation calculations since this statistic will be normal (or Student's t) to a good approximation. For small samples, where we cannot avoid permutation calculations, we have found that the difference between "modified Z" and the textbook "pooled Z" is negligible. We therefore propose to use the permutation test based on pooled Z for small samples. This decision speeds up the permutation computations considerably, because for each permutation we need only compute the sum of the CLEC sample values, and not the pooled statistic itself.

A permutation probability mass function distribution for cell j, based on the "pooled Z" can be written as

$$PM(t) = P(\sum_k y_{jk} = t) = \frac{\textit{the number of samples that sum to } t}{M_j},$$

and the corresponding cumulative permutation distribution is

$$CPM(t) = P(\sum_k y_{jk} \le t) = \frac{\textit{the number of samples with sum } \le t}{M_j}.$$

For Proportion Performance Measures the following notation is defined

a_{1j}= the number of ILEC cases possessing an attribute of interest in cell j

a_{2j}= the number of CLEC cases possessing an attribute of interest in cell j

a_j = the number of cases possessing an attribute of interest in cell j; $a_{1j}+ a_{2j}$

The exact distribution for a parity test is the hypergeometric distribution. The hypergeometric probability mass function distribution for cell j is

$$HG(h) = P(H = h) = \begin{cases} \dfrac{\binom{n_{1j}}{h}\binom{n_{2j}}{a_j - h}}{\binom{n_j}{a_j}}, & \max(0, a_j - n_{2j}) \le h \le \min(a_j, n_{1j}) \\ 0 & \text{otherwise} \end{cases},$$

and the cumulative hypergeometric distribution is

$$CHG(x) = P(H \le x) = \begin{cases} 0 & x < \max(0, a_j - n_{1j}) \\ \sum_{h=\max(0,a_j-n_{1j})}^{x} HG(h), & \max(0, a_j - n_{1j}) \le x \le \min(a_j, n_{2j}) \\ 1 & x > \min(a_j, n_{2j}) \end{cases}.$$

For Rate Measures, the notation needed is defined as

b_{1j} = the number of ILEC base elements in cell j

b_{2j} = the number of CLEC base elements in cell j

b_j = the total number of base elements in cell j; $b_{1j} + b_{2j}$

$\bar{p}_{1j}$ = the ILEC sample rate of cell j; n_{1j}/b_{1j}

$\bar{p}_{2j}$ = the CLEC sample rate of cell j; n_{2j}/b_{2j}

q_j = the relative proportion of CLEC elements for cell j; b_{2j}/b_j

The exact distribution for a parity test is the binomial distribution. The binomial probability mass function distribution for cell j is

$$BN(k) = P(B = k) = \begin{cases} \binom{n_j}{k} q_j^k (1 - q_j)^{n_j - k}, & 0 \le k \le n_j \\ 0 & \text{otherwise} \end{cases},$$

and the cumulative binomial distribution is

$$CBN(x) = P(B \le x) = \begin{cases} 0 & x < 0 \\ \sum_{k=0}^{x} BN(k), & 0 \le x \le n_j \\ 1 & x > n_j \end{cases}.$$

Calculating the Truncated Z

The general methodology for calculating an aggregate level test statistic is outlined below.

1. **Calculate cell weights**, W_j. A weight based on the number of transactions is used so that a cell which has a larger number of transactions has a larger weight. The actual weight formulae will depend on the type of measure.

Mean Measure

$$W_j = \sqrt{\frac{n_{1j} n_{2j}}{n_j}}$$

Proportion Measure

$$W_j = \sqrt{\frac{n_{2j} n_{1j}}{n_j} \cdot \frac{a_j}{n_j} \cdot \left(1 - \frac{a_j}{n_j}\right)}$$

Rate Measure

$$W_j = \sqrt{\frac{b_{1j} b_{2j}}{b_j} \cdot \frac{n_j}{b_j}}$$

2. **In each cell, calculate a Z value**, Z_j. A Z statistic with mean 0 and variance 1 is needed for each cell.

   - If $W_j = 0$, set $Z_j = 0$.
   - Otherwise, the actual Z statistic calculation depends on the type of performance measure.

Mean Measure

$$Z_j = \Phi^{-1}(\alpha)$$

where α is determine by the following algorithm.

If $\min(n_{1j}, n_{2j}) > 6$, then determine α as

$$\alpha = P(t_{n_{1j}-1} \le T_j),$$

that is, α is the probability that a t random variable with $n_{1j} - 1$ degrees of freedom, is less than

$$T_j = t_j + \frac{g}{6}\left(\frac{n_{1j} + 2n_{2j}}{\sqrt{n_{1j}\, n_{2j}(n_{1j} + n_{2j})}}\right)\left(t^2 + \frac{n_{2j} - n_{1j}}{2n_{1j} + n_{2j}}\right),$$

where

$$t_j = \frac{\bar{X}_{1j} - \bar{X}_{2j}}{s_{1j}\sqrt{\frac{1}{n_{1j}} + \frac{1}{n_{2j}}}}$$

and the coefficient g is an estimate of the skewness of the parent population, which we assume is the same in all cells. It can be estimated from the ILEC values in the largest cells. This needs to be done only once for each measure. We have found that attempting to estimate this skewness parameter for each cell separately leads to excessive variability in the "adjusted" t. We therefore use a single compromise value in all cells.

Note, that t_j is the "modified Z" statistic. The statistic T_j is a "modified Z" corrected for the skewness of the ILEC data.

If $\min(n_{1j}, n_{2j}) \leq 6$, and

a) $M_j \leq 1{,}000$ (the total number of distinct pairs of samples of size n_{1j} and n_{2j} is 1,000 or less).

- Calculate the sample sum for all possible samples of size n_{2j}.
- Rank the sample sums from smallest to largest. Ties are dealt by using average ranks.
- Let R_0 be the rank of the observed sample sum with respect all the sample sums.

$$\alpha = 1 - \frac{R_0 - 0.5}{M_j}$$

b) $M_j > 1{,}000$

- Draw a random sample of 1,000 sample sums from the permutation distribution.
- Add the observed sample sum to the list. There is a total of 1001 sample sums. Rank the sample sums from smallest to largest. Ties are dealt by using average ranks.
- Let R_0 be the rank of the observed sample sum with respect all the sample sums.

$$\alpha = 1 - \frac{R_0 - 0.5}{1001}.$$

Proportion Measure

$$Z_j = \frac{n_j a_{1j} - n_{1j} a_j}{\sqrt{\frac{n_{1j} n_{2j} a_j (n_j - a_j)}{n_j - 1}}}.$$

Rate Measure

$$Z_j = \frac{n_{1j} - n_j q_j}{\sqrt{n_j q_j (1 - q_j)}}.$$

3. **Obtain a truncated Z value for each cell,** Z_j^*. To limit the amount of cancellation that takes place between cell results during aggregation, cells whose results suggest possible favoritism are left alone. Otherwise the cell statistic is set to zero. This means that positive equivalent Z values are set to 0, and negative values are left alone. Mathematically, this is written as

$$Z_j^* = \min(0, Z_j).$$

4. **Calculate the theoretical mean and variance of the truncated statistic under the null hypothesis of parity,** $E(Z_j^* | H_0)$ and $Var(Z_j^* | H_0)$. In order to compensate for the truncation in step 3, an aggregated, weighted sum of the Z_j^* will need to be centered and scaled properly so that the final aggregate statistic follows a standard normal distribution.

   - If $W_j = 0$, then no evidence of favoritism is contained in the cell. The formulae for calculating $E(Z_j^* | H_0)$ and $Var(Z_j^* | H_0)$ cannot be used. Set both equal to 0.

   - If $\min(n_{1j}, n_{2j}) > 6$ for a mean measure, $\min\left\{a_{1j}\left(1 - \frac{a_{1j}}{n_{1j}}\right), a_{2j}\left(1 - \frac{a_{2j}}{n_{2j}}\right)\right\} > 9$ for a proportion measure, or $\min(n_{1j}, n_{2j}) > 15$ and $n_j q_j (1 - q_j) > 9$ for a rate measure then

$$E(Z_j^* | H_0) = -\frac{1}{\sqrt{2\pi}}, \text{ and}$$

$$Var(Z_j^* | H_0) = \frac{1}{2} - \frac{1}{2\pi}.$$

- Otherwise, determine the total number of values for Z_j^*. Let z_{ji} and θ_{ji}, denote the values of Z_j^* and the probabilities of observing each value, respectively.

$$E(Z_j^* \mid H_0) = \sum_i \theta_{ji} z_{ji} \text{ ,and}$$

$$Var(Z_j^* \mid H_0) = \sum_i \theta_{ji} z_{ji}^2 - \left[E(Z_j^* \mid H_0)\right]^2 .$$

The actual values of the z's and θ's depends on the type of measure, and the sums in the equations are over all possible values of the index i.

Mean Measure

$$N_j = \min(M_j, 1{,}000), \; i = 1, \ldots, N_j$$

$$z_{ji} = \min\left\{0, 1 - \Phi^{-1}\left(\frac{R_i - 0.5}{N_j}\right)\right\} \quad \text{where } R_i \text{ is the rank of sample sum i}$$

$$\theta_j = \frac{1}{N_j}$$

Proportion Measure

$$z_{ji} = \min\left\{0, \frac{n_j\, i - n_{1j}\, a_j}{\sqrt{\frac{n_{1j}\, n_{2j}\, a_j\, (n_j - a_j)}{n_j - 1}}}\right\}, \quad i = \min(a_j, n_{2j}), \ldots, \max(0, a_j - n_{1j})$$

$$\theta_{ji} = HG(i)$$

Rate Measure

$$z_{ji} = \min\left\{0, \frac{i - n_j\, q_j}{\sqrt{n_j\, q_j (1 - q_j)}}\right\}, \quad i = 0, \ldots, n_j$$

$$\theta_{ji} = BN(i)$$

5. **Calculate the aggregate test statistic,** Z^T.

$$Z^T = \frac{\sum_j W_j Z_j^* - \sum_j W_j E(Z_j^* \mid H_0)}{\sqrt{\sum_j W_j^2 \, Var(Z_j^* \mid H_0)}}$$

The Balancing Critical Value

There are four key elements of the statistical testing process:

1. the null hypothesis, H_0, that parity exists between ILEC and CLEC services
2. the alternative hypothesis, H_a, that the ILEC is giving better service to its own customers
3. the Truncated Z test statistic, Z^T, and
4. a critical value, c

The decision rule[1] is

- If $Z^T < c$ then accept H_a.
- If $Z^T \geq c$ then accept H_0.

There are two types of error possible when using such a decision rule:

Type I Error: Deciding favoritism exists when there is, in fact, no favoritism.
Type II Error: Deciding parity exists when there is, in fact, favoritism.

The probabilities of each type of each are:

Type I Error: $\alpha = P(Z^T < c \mid H_0)$.
Type II Error: $\beta = P(Z^T \geq c \mid H_a)$.

We want a balancing critical value, c_B, so that $\alpha = \beta$.

It can be shown that.

$$c_B = \frac{\sum_j W_j M(m_j, se_j) - \sum_j W_j \frac{-1}{\sqrt{2\pi}}}{\sqrt{\sum_j W_j^2 V(m_j, se_j)} + \sqrt{\sum_j W_j^2 \left(\frac{1}{2} - \frac{1}{2\pi}\right)}}.$$

where

$$M(\mu, \sigma) = \mu \Phi\left(\frac{-\mu}{\sigma}\right) - \sigma \phi\left(\frac{-\mu}{\sigma}\right)$$

[1] This decision rule assumes that a negative test statistic indicates poor service for the CLEC customer. If the opposite is true, then reverse the decision rule.

$$V(\mu,\sigma) = (\mu^2 + \sigma^2)\Phi(\tfrac{-\mu}{\sigma}) - \mu\sigma\phi(\tfrac{-\mu}{\sigma}) - M(\mu,\sigma)^2$$

$\Phi(\cdot)$ is the cumulative standard normal distribution function, and $\phi(\cdot)$ is the standard normal density function.

This formula assumes that Z_j is approximately normally distributed within cell j. When the cell sample sizes, n_{1j} and n_{2j}, are small this may not be true. It is possible to determine the cell mean and variance under the null hypothesis when the cell sample sizes are small. It is much more difficult to determine these values under the alternative hypothesis. Since the cell weight, W_j will also be small (see calculate weights section above) for a cell with small volume, the cell mean and variance will not contribute much to the weighted sum. Therefore, the above formula provides a reasonable approximation to the balancing critical value.

The values of m_j and se_j will depend on the type of performance measure.

Mean Measure

For mean measures, one is concerned with two parameters in each cell, namely, the mean and variance. A possible lack of parity may be due to a difference in cell means, and/or a difference in cell variances. One possible set of hypotheses that capture this notion, and take into account the assumption that transaction are identically distributed within cells is:

$$H_0: \mu_{1j} = \mu_{2j},\ \sigma_{1j}^2 = \sigma_{2j}^2$$

$$H_a: \mu_{2j} = \mu_{1j} + \delta_j \cdot \sigma_{1j},\ \sigma_{2j}^2 = \lambda_j \cdot \sigma_{1j}^2 \qquad \delta_j > 0,\ \lambda_j \geq 1 \text{ and } j = 1,\ldots,L.$$

Under this form of alternative hypothesis, the cell test statistic Z_j has mean and standard error given by

$$m_j = \frac{-\delta_j}{\sqrt{\frac{1}{n_{1j}} + \frac{1}{n_{2j}}}}, \text{ and}$$

$$se_j = \sqrt{\frac{\lambda_j n_{1j} + n_{2j}}{n_{1j} + n_{2j}}}$$

Proportion Measure

For a proportion measure there is only one parameter of interest in each cell, the proportion of transaction possessing an attribute of interest. A possible lack of parity may be due to a difference in cell proportions. A set of hypotheses that take into account the assumption that transaction are identically distributed within cells while allowing for

an analytically tractable solution is:

$$H_0: \frac{p_{2j}(1-p_{1j})}{(1-p_{2j})p_{1j}} = 1$$

$$H_a: \frac{p_{2j}(1-p_{1j})}{(1-p_{2j})p_{1j}} = \psi_j \qquad \psi_j > 1 \text{ and } j = 1,\ldots,L.$$

These hypotheses are based on the "odds ratio." If the transaction attribute of interest is a missed trouble repair, then an interpretation of the alternative hypothesis is that a CLEC trouble repair appointment is ψ_j times more likely to be missed than an ILEC trouble.

Under this form of alternative hypothesis, the within cell asymptotic mean and variance of a_{1j} are given by[2]

$$E(a_{1j}) = n_j \pi_j^{(1)}$$

$$\text{var}(a_{1j}) = \frac{n_j}{\frac{1}{\pi_j^{(1)}} + \frac{1}{\pi_j^{(2)}} + \frac{1}{\pi_j^{(3)}} + \frac{1}{\pi_j^{(4)}}}$$

where

$$\pi_j^{(1)} = f_j^{(1)}\left(n_j^2 + f_j^{(2)} + f_j^{(3)} - f_j^{(4)}\right)$$

$$\pi_j^{(2)} = f_j^{(1)}\left(-n_j^2 - f_j^{(2)} + f_j^{(3)} + f_j^{(4)}\right)$$

$$\pi_j^{(3)} = f_j^{(1)}\left(-n_j^2 + f_j^{(2)} - f_j^{(3)} + f_j^{(4)}\right)$$

$$\pi_j^{(4)} = f_j^{(1)}\left(n_j^2\left(\frac{2}{\psi_j} - 1\right) - f_j^{(2)} - f_j^{(3)} - f_j^{(4)}\right)$$

$$f_j^{(1)} = \frac{1}{2n_j^2\left(\frac{1}{\psi_j} - 1\right)}$$

$$f_j^{(2)} = n_j n_{1j}\left(\frac{1}{\psi_j} - 1\right)$$

$$f_j^{(3)} = n_j a_j\left(\frac{1}{\psi_j} - 1\right)$$

$$f_j^{(4)} = \sqrt{n_j^2\left[4n_{1j}\left(n_j - a_j\right)\left(\frac{1}{\psi_j} - 1\right) + \left(n_j + \left(a_j - n_{1j}\right)\left(\frac{1}{\psi_j} - 1\right)\right)^2\right]}$$

[2] Stevens, W. L. (1951) Mean and Variance of an entry in a Contingency Table. *Biometrica*, **38**, 468-470.

Recall that the cell test statistic is given by

$$Z_j = \frac{n_j a_{1j} - n_{1j} a_j}{\sqrt{\frac{n_{1j} n_{2j} a_j (n_j - a_j)}{n_j - 1}}}.$$

Using the equations above, we see that Z_j has mean and standard error given by

$$m_j = \frac{n_j^2 \pi_j^{(1)} - n_{1j} a_j}{\sqrt{\frac{n_{1j} n_{2j} a_j (n_j - a_j)}{n_j - 1}}}, \text{ and}$$

$$se_j = \sqrt{\frac{n_j^3 (n_j - 1)}{n_{1j} n_{2j} a_j (n_j - a_j)\left(\frac{1}{\pi_j^{(1)}} + \frac{1}{\pi_j^{(2)}} + \frac{1}{\pi_j^{(3)}} + \frac{1}{\pi_j^{(4)}}\right)}}.$$

Rate Measure

A rate measure also has only one parameter of interest in each cell, the rate at which a phenomenon is observed relative to a base unit, e.g. the number of troubles per available line. A possible lack of parity may be due to a difference in cell rates. A set of hypotheses that take into account the assumption that transaction are identically distributed within cells is:

H_0: $r_{1j} = r_{2j}$

H_a: $r_{2j} = \varepsilon_j r_{1j}$ $\qquad \varepsilon_j > 1$ and $j = 1,\ldots,L$.

Given the total number of ILEC and CLEC transactions in a cell, n_j, and the number of base elements, b_{1j} and b_{2j}, the number of ILEC transaction, n_{1j}, has a binomial distribution from n_j trials and a probability of

$$q_j^* = \frac{r_{1j} b_{1j}}{r_{1j} b_{1j} + r_{2j} b_{2j}}.$$

Therefore, the mean and variance of n_{1j}, are given by

$$E(n_{1j}) = n_j q_j^*$$
$$\text{var}(n_{1j}) = n_j q_j^* (1 - q_j^*)$$

Under the null hypothesis

$$q_j^* = q_j = \frac{b_{1j}}{b_j},$$

but under the alternative hypothesis

$$q_j^* = q_j^a = \frac{b_{1j}}{b_{1j} + \varepsilon_j b_{2j}}.$$

Recall that the cell test statistic is given by

$$Z_j = \frac{n_{1j} - n_j\, q_j}{\sqrt{n_j\, q_j(1-q_j)}}.$$

Using the relationships above, we see that Z_j has mean and standard error given by

$$m_j = \frac{n_j\left(q_j^a - q_j\right)}{\sqrt{n_j q_j(1-q_j)}} = (1-\varepsilon_j)\sqrt{\frac{n_j b_{1j} b_{2j}}{b_{1j} + \varepsilon_j b_{2j}}}, \text{ and}$$

$$se_j = \sqrt{\frac{q_j^a(1-q_j^a)}{q_j(1-q_j)}} = \sqrt{\varepsilon_j}\,\frac{b_j}{b_{1j} + \varepsilon_j b_{2j}}.$$

Determining the Parameters of the Alternative Hypothesis

In this appendix we have indexed the alternative hypothesis of mean measures by two sets of parameters, λ_j and δ_j. Proportion and rate measures have been indexed by one set of parameters each, ψ_j and ε_j respectively. While statistical science can be used to evaluate the impact of different choices of these parameters, there is not much that an appeal to statistical principles can offer in directing specific choices. Specific choices are best left to telephony experts. Still, it is possible to comment on some aspects of these choices:

- Parameter Choices for λ_j. The set of parameters λ_j index alternatives to the null hypothesis that arise because there might be greater unpredictability or variability in the delivery of service to a CLEC customer over that which would be achieved for an otherwise comparable ILEC customer. While concerns about differences in the variability of service are important, it turns out that the truncated Z testing which is being recommended here is relatively insensitive to all but very large values of the λ_j. Put another way, reasonable differences in the values chosen here could make very little difference in the balancing points chosen.

- Parameter Choices for δ_j. The set of parameters δ_j are much more important in the choice of the balancing point than was true for the λ_j. The reason for this is that they directly index differences in average service. The truncated Z test is very sensitive to any such differences; hence, even small disagreements among experts in the choice of the δ_j could be very important. Sample size matters here too. For example, setting all the δ_j to a single value – $\delta_j = \delta$ – might be fine for tests across individual CLECs where currently in Louisiana the CLEC customer bases are not too different. Using the same value of δ for the overall state testing does not seem sensible, however, since the state sample would be so much larger.

- Parameter Choices for ψ_j or ε_j. The set of parameters ψ_j or ε_j are also important in the choice of the balancing point for tests of their respective measures. The reason for this is that they directly index increases in the proportion or rate of service performance. The truncated Z test is sensitive to such increases; but not as sensitive as the case of δ_j for mean measures. Sample size matters here as well. As with mean measures, using the same value of ψ or ε for the overall state testing does not seem sensible since the state sample would be so much larger.

The bottom line here is that beyond a few general considerations, like those given above, a principled approach to the choice of the alternative hypotheses to guard against, must come from elsewhere.

Decision Process

Once Z^T has been calculated, it is compared to the balancing critical value to determine if the ILEC is favoring its own customers over a CLEC's customers.

This critical value changes as the ILEC and CLEC transaction volume change. One way to make this transparent to the decision maker, is to report the difference between the test statistic and the critical value, *diff* = $Z^T - c_B$. If favoritism is concluded when $Z^T < c_B$, then the *diff* < 0 indicates favoritism.

This make it very easy to determine favoritism: a positive *diff* suggests no favoritism, and a negative *diff* suggests favoritism.

BST VSEEM REMEDY PROCEDURE

TIER-1 CALCULATION FOR RETAIL ANALOGUES:

1. Calculate the overall test statistic for each CLEC; z^{T}_{CLEC1} (See Exhibit C)
1. Calculate the balancing critical value($^{C}B_{CLEC1}$) that is associated with the alternative hypothesis (for fixed parameters δ, ψ or ε). (See Exhibit C)
3. If the overall test statistic is equal to or above the balancing critical value, stop here. Otherwise, go to step 4.
4. Calculate the Parity Gap by subtracting the value of step 2. from that of step 1.; $z^{T}_{CLEC1} - {}^{C}B_{CLEC1}$
5. Calculate the Volume Proportion using a linear distribution with slope of ¼. This can be accomplished by taking the absolute value of the Parity Gap from step 4. divided by 4; $ABS((z^{T}_{CLEC1} - {}^{C}B_{CLEC1}) / 4)$. All parity gaps equal or greater to 4 will result in a volume proportion of 100%.
6. Calculate the Affected Volume by multiplying the Volume Proportion from step 5. by the Total $CLEC_1$ Volume in the negatively affected cell; where the cell value is negative. (See Exhibit C)
7. Calculate the payment to CLEC-1 by multiplying the result of step 6. by the appropriate dollar amount from the fee schedule.

So, CLEC-1 payment = Affected $Volume_{CLEC1}$ * $$ from Fee Schedule

Example: CLEC-1 Missed Installation Appointments (MIA) for Resale POTS

	n_I	n_C	MIA_I	MIA_C	z^{T}_{CLEC1}	C_B	**Parity Gap**	Volume Proportion	Affected Volume
State	50000	600	9%	16%	-1.92	-0.21	**1.71**	0.4275	
Cell					z_{CLEC1}				
1		150	0.091	0.112	-1.994				64
2		75	0.176	0.098	0.734				
3		10	0.128	0.333	-2.619				4
4		50	0.158	0.242	-2.878				21
5		15	0.245	0.075	1.345				
6		200	0.156	0.130	0.021				
7		30	0.166	0.233	-0.600				13
8		20	0.106	0.127	-0.065				9
9		40	0.193	0.218	-0.918				17
10		10	0.160	0.235	-0.660				4
									133

where n_I = ILEC observations and n_C = CLEC-1 observations

Payout for CLEC-1 is (133 units) * ($100/unit) = $13,300

TIER-2 CALCULATION for RETAIL ANALOGUES:

1. Tier-2 is triggered by three monthly failures of any VSEEM submetric in the same quarter.

2. Calculate the overall test statistic for the CLEC Aggregate using all transactions from the calendar quarter; z^T_{CLECA}

3. Calculate the balancing critical value($^{C}B_{CLEC1}$) that is associated with the alternative hypothesis (for fixed parameters δ, ψ or ε). (See Exhibit C)

4. If the overall test statistic is equal to or above the balancing critical value for the calendar quarter, stop here. Otherwise, go to step 5.

5. Calculate the Parity Gap by subtracting the value of step 3. from that of step 2.; $z^T_{CLECA} - {}^{C}B_{CLECA}$

6. Calculate the Volume Proportion using a linear distribution with slope of ¼. This can be accomplished by dividing the Parity Gap from step 5. by 4; $ABS((z^T_{CLECA} - {}^{C}B_{CLECA}) / 4)$. All parity gaps equal or greater to 4 will result in a volume proportion of 100%.

7. Calculate the Affected Volume by multiplying the Volume Proportion from step 6. by the Total $CLEC_A$ Volume (CLEC Aggregate) in the negatively affected cell; where the cell value is negative (See Exhibit C).

8. Calculate the payment to State Designated Agency by multiplying the result of step 7. by the appropriate dollar amount from the fee schedule.

   So, State Designated Agency payment = Affected $Volume_{CLECA}$ * $$ from Fee Schedule

Example: CLEC-A Missed Installation Appointments (MIA) for Resale POTS

State	n_I	n_C	MIA_I	MIA_C	z^T_{CLECA}	C_B	**Parity Gap**	Volume Proportion	Affected Volume
Quarter1	180000	2100	9%	16%	-1.92	-0.21	**1.71**	0.4275	
Cell					Z_{CLECA}				
1		500	0.091	0.112	-1.994				214
2		300	0.176	0.098	0.734				
3		80	0.128	0.333	-2.619				34
4		205	0.158	0.242	-2.878				88
5		45	0.245	0.075	1.345				
6		605	0.156	0.130	0.021				
7		80	0.166	0.233	-0.600				34
8		40	0.106	0.127	-0.065				17
9		165	0.193	0.218	-0.918				71
10		80	0.160	0.235	-0.660				34
									492

where n_I = ILEC observations and n_C = CLEC-A observations

Payout for CLEC-A is (492 units) * ($300/unit) = $147,600

Tier-3

Tier-3 uses the monthly CLEC Aggregate results in a given State. Tier-3 is triggered when five of the twelve Tier-3 sub-metrics experience consecutive failures in a given calendar quarter. The table below displays a situation that would trigger a Tier-3 failure, and one that would not.

		TIER-3 FAILURE X = Miss			NOT A TIER-3 FAILURE X = Miss		
Process	Measures	Jan	Feb	Mar	Jan	Feb	Mar
Percent Missed Installation Appointments	Resale POTS	X	X	X	X		
	Resale Design	X			X	X	X
	UNE Loop & Port Combo		X				
	UNE Loops	X	X	X			
Percent Missed Repair Appointments	Resale POTS	X	X	X	X		X
	Resale Design		X	X		X	
	UNE Loop & Port Combo					X	X
	UNE Loops				X		
Billing	Billing Accuracy	X	X	X			
	Billing Timeliness				X	X	X
Trunk Blockage	Percent Trunk Blockage	X	X	X			
Collocation	Percent Missed Collocation Due Dates						

Tier-3 is effective immediately after quarter results, and can only be lifted when two of the five failed sub-metrics show compliance for two consecutive months in the following quarter.

All tiers standalone, such that triggering Tier-3 will not cease payout of any Tier-1 or Tier-2 failures.

TIER-1 CALCULATION FOR BENCHMARKS:

1. For each CLEC, with five or more observations, calculate monthly performance results for the State.

2. CLECs having observations (sample sizes) between 5 and 30 will use Table I below:

Table I **Small Sample Size Table**
(95% Confidence)

Sample Size	Equivalent 90% Benchmark	Equivalent 95% Benchmark
5	60.00%	80.00%
6	66.67%	83.33%
7	71.43%	85.71%
8	75.00%	75.00%
9	66.67%	77.78%
10	70.00%	80.00%
11	72.73%	81.82%
12	75.00%	83.33%
13	76.92%	84.62%
14	78.57%	85.71%
15	73.33%	86.67%

Sample Size	Equivalent 90% Benchmark	Equivalent 95% Benchmark
16	75.00%	87.50%
17	76.47%	82.35%
18	77.78%	83.33%
19	78.95%	84.21%
20	80.00%	85.00%
21	76.19%	85.71%
22	77.27%	86.36%
23	78.26%	86.96%
24	79.17%	87.50%
25	80.00%	88.00%
26	80.77%	88.46%
27	81.48%	88.89%
28	78.57%	89.29%
29	79.31%	86.21%
30	80.00%	86.67%

3. If the percentage (or equivalent percentage for small samples) is equal to or below the benchmark standard, stop here. Otherwise, go to step 4.

4. Determine the Volume Proportion by taking the difference between the benchmark and the actual performance result.

5. Calculate the Affected Volume by multiplying the Volume Proportion from step 4. by the Total $CLEC_1$ Volume.

6. Calculate the payment to CLEC-1 by multiplying the result of step 5. by the appropriate dollar amount from the fee schedule.

So, CLEC-1 payment = Affected $Volume_{CLEC1}$ * $$ from Fee Schedule

Example: CLEC-1 Missed Installation Appointments (MIA) for UNE Loops

	n_C	Benchmark	MIA_C	Volume Proportion	Affected Volume
State	600	9%	12%	.03	18

Payout for CLEC-1 is (18 units) * ($400/unit) = $7,200

TIER-1 CALCULATION FOR BENCHMARKS (in the form of a target):

1. For each, with five or more observations, CLEC calculate monthly performance results for the State.
2. CLECs having observations (sample sizes) between 5 and 30 will use Table I above.
3. Calculate the interval distribution based on the same data set used in step 1.
4. If the 'percent within' is equal to or exceeds the benchmark standard, stop here. Otherwise, go to step 5.
5. Determine the Volume Proportion by taking the difference between 100% and the actual performance result.
6. Calculate the Affected Volume by multiplying the Volume Proportion from step 5. by the Total $CLEC_1$ Volume.
7. Calculate the payment to CLEC-1 by multiplying the result of step 6. by the appropriate dollar amount from the fee schedule.

So, CLEC-1 payment = Affected $Volume_{CLEC1}$ * $$ from Fee Schedule

Example: CLEC-1 Reject Timeliness

	n_C	Benchmark	Reject $Timeliness_C$	Volume Proportion	Affected Volume
State	600	95% within 1 hour	93% within 1 hour	.07	42

Payout for CLEC-1 is (42 units) * ($100/unit) = $4,200

TIER-2 CALCULATIONS for BENCHMARKS:

Tier-2 calculations for benchmark measures are the same as the Tier-1 benchmark calculations except the CLEC Aggregate data having failed for three months in a given calendar quarter is being assessed.

Table-1

LIQUIDATED DAMAGES TABLE FOR TIER-1 MEASURES

PER AFFECTED ITEM						
	Month 1	Month 2	Month3	Month4	Month 5	Month 6
Ordering	$40	$50	$60	$70	$80	$90
Provisioning	$100	$125	$175	$250	$325	$500
Provisioning UNE (Coordinated Customer Conversions)	$400	$450	$500	$550	$650	$800
Maintenance and Repair	$100	$125	$175	$250	$325	$500
Maintenance and Repair UNE	$400	$450	$500	$550	$650	$800
LNP	$150	$250	$500	$600	$700	$800
IC Trunks	$100	$125	$175	$250	$325	$500
Collocation	$5,000	$5,000	$5,000	$5,000	$5,000	$5,000

Table-2

VOLUNTARY PAYMENTS FOR TIER-2 MEASURES

	Per Affected Item
OSS Pre-Ordering	$20
Ordering	$60
Provisioning	$300
UNE Provisioning (Coordinated Customer Conversions)	$875
Maintenance and Repair	$300
UNE Maintenance and Repair	$875
Billing	$1.00
LNP	$500
IC Trunks	$500
Collocation	$15,000

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General Counsel – Kentucky

March 9, 2000

Mr. Martin J. Huelsmann, Jr.
Executive Director
Public Service Commission
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Frankfort, KY 40602

Re: Petition for Arbitration of BlueStar Networks, Inc. with BellSouth Telecommunications, Inc. pursuant to the Telecommunications Act of 1996
PSC 99-498

Dear Mr. Huelsmann:

Enclosed for filing in the above-captioned case are the original and ten (10) copies of BellSouth's Response to BlueStar's Motion to Compel and Motion for Continuance.

Sincerely,

Creighton E. Mershon, Sr.

Enclosure

cc: Parties of Record

200508

COMMONWEALTH OF KENTUCY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Petition for Arbitration of BlueStar Networks, Inc. with BellSouth Telecommunications, Inc. Pursuant To the Telecommunications Act of 1996	))))	Case No. 99-498

BELLSOUTH'S RESPONSE TO BLUESTAR'S MOTION TO COMPEL AND MOTION FOR CONTINUANCE

BellSouth Telecommunications, Inc. ("BellSouth") hereby files its Response to BlueStar's Motion to Compel and Motion for Continuance and states the following:

1. At the outset, BellSouth states that it is not opposed to a continuance of the hearing currently set for March 15, 2000. At the same, BlueStar has failed to set forth a reasonable basis to require BellSouth to develop new cost studies in support of interim rates. As discussed herein, BellSouth believes a generic cost proceeding should be established in the near term and permanent rates should be set in accordance with an appropriate schedule to be adopted by this Commission. Accordingly, BlueStar's motion to compel should be denied.

2. BlueStar's Motion is filed with inflammatory allegations that are totally unfounded. The false charges that BlueStar makes against BellSouth, however, are completely unrelated to the pertinent issues, i.e., whether the hearing should be continued and BellSouth should be required to file cost studies. Accordingly, BellSouth will not at this juncture refute BlueStar's baseless, irrelevant claims, but will, instead, address its comments to the real issues.

3. Although BlueStar's Petition includes 16 issues, all but five have been settled. The issues that currently remain in the case are Issue 5 (automatic conversion of orders), Issue 11 (UNE rates), Issue 14 (liquidated damages), Issue 15 (alternative dispute resolution) and Issue 16 (access to BellSouth's riser cable). In Issue 16, BlueStar contends that it should be able to use BellSouth's riser cable at no charge. BellSouth believes that under the FCC's recent UNE Remand Order, riser cable is a subloop element that is to be made available as a UNE, and at an appropriate price. The date for compliance with the UNE Remand Order is not until May of 2000. Riser cable does not need to be made available at any price until that time. Thus, the only rate issues before the Commission at this time arise from Issue 11. Specifically, at issue are the rates for ADSL compatible loops, HDSL compatible loops, unbundled copper loops (both above and below 18 kilofeet) and line conditioning.

4. This Commission set rates for UNEs in its July 14, 1997 Order in Case Nos. 96-431 and 96-482. This Order provided that the rates established in these dockets were "the cost-based prices establishing the initial local competitive market." (Order, p. 3). Further, the Commission noted specifically that these rates "are based on the evidence of record and establish the most level playing field possible for all market participants. (Id.)(emphasis added). Thus, in the Order of the Commission, UNE rates were set that apply to all market participants, a category that would obviously include BlueStar.

5. At the same time, the rates set in the 1997 proceeding are now almost two and a half years old. Accordingly, BellSouth plans to file a petition in the near future to request that the Commission open a generic docket to set new UNE rates. Assuming

the Commission opens such a docket, that generic proceeding would be used to set rates for all of the UNEs encompassed within BlueStar's Issue 11.

6. Also, since the cost studies that BellSouth filed in 1997 contain information that needs to be updated, BellSouth currently is in the process of making necessary revisions to the inputs to its cost model, as well as developing certain methodological changes to the cost model itself. BellSouth is endeavoring to complete work on its revised cost model in order to use it to file cost studies in April for a generic cost proceeding in Florida that is set to go to hearing in July. Once work on the new model is completed, BellSouth can utilize that model to develop and file appropriate, current cost studies for Kentucky by approximately July 1, 2000. A hearing could be set thereafter, according to a procedural schedule to be set by the Commission, which would likely yield permanent rates by the end of the Summer. Thus, the only real question that arises from Issue 11 concerns the rates that should apply to BlueStar's purchase of the identified UNEs until the Commission can set permanent rates in a generic cost proceeding.

7. BellSouth believes that the answer to this question is relatively straightforward. Until the Commission sets new rates for ADSL and HDSL loops, BlueStar should be subject to the current Commission-ordered rates. In other words, BlueStar should be treated in precisely the same manner as every other carrier that has requested these loops since the Commission entered its Order more than two years ago. BellSouth will not respond in kind to BlueStar's rhetoric which is an attempt to avoid application of the January 27, 2000, Amendment for UCL loops and line conditioning, that BlueStar signed. BellSouth agrees that the Amendment is applicable only to interim rates. BellSouth also believes the interim rates agreed to by the parties in this

Amendment should be applied until the Commission sets permanent rates in a generic cost proceeding. However, at the same time, BellSouth has proposed in the testimony of its witness, Alphonso Varner, that these interim rates be trued up to the permanent rates to be set by the Commission in the generic cost proceeding.

8. BellSouth plans to request a generic cost proceeding.[1] Nevertheless, BlueStar is apparently requesting the Commission to order BellSouth to develop cost studies to be used to set rates for BlueStar in advance of this proceeding. If BellSouth were required, however, to develop cost studies in the abbreviated time frame requested by BlueStar (i.e., approximately three weeks), the cost studies would necessarily be based on the inputs and methodology developed by BellSouth for the last round of cost proceedings. In other words, the cost studies would be somewhat dated from the moment of completion, and would, therefore, necessarily have to be replaced by the new cost studies that will be filed in the next generic cost proceeding. Thus, put in context, BlueStar is actually requesting that the Commission delay this proceeding for two months in order to compel BellSouth to produce cost studies, which would then be used to set interim rates for BlueStar that would only be in effect during the approximately three months prior to permanent rates being set in a generic proceeding, based on more recently developed cost studies. BellSouth submits that this requested action is a waste of BellSouth's resources and this Commission's time.

9. As stated above, HDSL and ADSL rates have been set by the Commission and are currently in place. These rates have been applied to every CLEC that has

[1] BellSouth informed BlueStar of its plans in a telephone conference on March 4, 2000. On March 5, 2000, BlueStar sent to BellSouth a somewhat more inflammatory version of its Motion to Compel in an attempt to induce BellSouth to agree to the continuance. BellSouth responded with a letter to BlueStar reiterating its plans, and stating to BlueStar specifically that its motion mischaracterized BellSouth's position.

utilized these UNEs since the Commission entered its order in 1997. There is no reason to treat BlueStar any differently than any other carrier. At the same time, new permanent rates for ADSL and HDSL loops will be set within the next few months, and these new rates should apply equally to BlueStar and to all other CLECs. There is no reason to give BlueStar "special rates" that differ from the rates given to all other CLECs in Kentucky and to do so would be discriminatory.

10. As to rates for UCLs and line conditioning, again, BellSouth believes the facts, if examined, demonstrate the parties have an Amendment in place that sets these rates on an interim basis. BlueStar appears to concede that the amendment is valid and legally binding, but claims that it is of exceedingly short duration. See BlueStar's Motion to Compel and Motion for Continuance, page 1, 2nd line from the bottom. BlueStar also contends that the agreement was intended to set a rate that applies until the Commission sets a rate. BellSouth agrees with this position. The difference in the parties' respective views lies in the fact that BellSouth believes that this interim rate should apply until the Commission sets a permanent rate in an upcoming UNE cost proceeding. BlueStar apparently takes the position that the interim rate to which it has committed only applies until the Commission sets a different rate in this arbitration. Id. Based on the facts set forth above, that rate would necessarily be interim. In point of fact, BlueStar has made the alternative request in its Motion that the Commission set interim rates for UCLs and line conditioning at a very small fraction of the interim rates to which it agreed in the amendment. Paradoxically, BlueStar's primary request is that this proceeding be postponed for several months, during which time BlueStar would presumably continue to pay the interim rates to which it has agreed in the Amendment. See BlueStar's Motion to

Compel and Motion for Continuance, subparagraph 2 of the "Wherefore clause" on page 13.

11. BellSouth believes that BlueStar should pay the interim rates in the amendment until a permanent rate is set. BellSouth also believes that there is no point in setting a rate in an arbitration with BlueStar by June 12, 2000[2] (based upon outdated cost study material) and calling it permanent, when all parties involved know that it will be replaced in the very near future. Instead, the better alternative is for BlueStar to simply abide by the Amendment it signed until permanent rates are set in a generic proceeding.

12. All of which returns to the issue of whether a continuance is necessary. Although BellSouth does not believe a continuance is necessary, strictly speaking, there are certainly factors that militate in favor of granting a continuance. Under the abbreviated procedural schedule that has been set in this case, no provision has been made for the filing of rebuttal testimony. Thus, if this proceeding goes to hearing in less than a week, rebuttal testimony will have to be given "live," a procedure that varies from the Commission's normal practice, and will likely result in a considerably longer hearing than would be required if the normal format of prefiling testimony were followed. Moreover, BellSouth has determined that one of its witnesses, Alphonso Varner, is set to testify in a previously scheduled case in South Carolina on March 14, 15, and 16. Thus, if the Commission proceeds under its original schedule, one of BellSouth's witnesses will have a time conflict, and there is no clear method to resolve this conflict. For both of these reasons, BellSouth does not oppose a continuance.

---

[2] June 12, 2000 is the date by which BlueStar proposes that this Commission enter an Arbitration Order (Motion, p. 13).

13. As stated above, four issues remain in this case, other than the loop rates that are the subject of Issue 11. If BlueStar prefers to try these issues later rather than sooner, BellSouth does not object to this approach. BellSouth, however, does not believe that there is any purpose to be served by using this delay to force BellSouth to jump through the unnecessary hoop of developing cost studies that will be outdated from the very moment that they come into existence, and that will be replaced shortly by rates set in a subsequent generic cost proceeding.

WHEREFORE, BellSouth respectfully requests the Commission to enter an order denying BlueStar's Motion to Compel BellSouth to produce cost studies. As set forth above, BellSouth has no objection otherwise to BlueStar's Motion for a continuance.

Respectfully submitted,

Creighton E. Mershon, Sr.

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200317

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served on the individuals on the attached Service List by mailing a copy thereof, this 9th day of March 2000.

Dorothy J. Chambers

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March 9, 2000

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by Dorothy J. Chambers

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COMMONWEALTH OF KENTUCY

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BellSouth Telecommunications, Inc. ("BellSouth") hereby files its Response to BlueStar's Motion to Compel and Motion for Continuance and states the following:

1. At the outset, BellSouth states that it is not opposed to a continuance of the hearing currently set for March 15, 2000. At the same, BlueStar has failed to set forth a reasonable basis to require BellSouth to develop new cost studies in support of interim rates. As discussed herein, BellSouth believes a generic cost proceeding should be established in the near term and permanent rates should be set in accordance with an appropriate schedule to be adopted by this Commission. Accordingly, BlueStar's motion to compel should be denied.

2. Although BlueStar's Petition includes 16 issues, all but five have been settled. The issues that currently remain in the case are Issue 5 (automatic conversion of orders), Issue 11 (UNE rates), Issue 14 (liquidated damages), Issue 15 (alternative dispute resolution) and Issue 16 (access to BellSouth's riser cable). In Issue 16, BlueStar contends that it should be able to use BellSouth's riser cable at no charge. BellSouth believes that under the FCC's recent UNE Remand Order, riser cable is a

subloop element that is to be made available as a UNE, and at an appropriate price. The date for compliance with the UNE Remand Order is not until May of 2000. Riser cable does not need to be made available at any price until that time. Thus, the only rate issues before the Commission at this time arise from Issue 11. Specifically, at issue are the rates for ADSL compatible loops, HDSL compatible loops, unbundled copper loops (both above and below 18 kilofeet) and line conditioning.

3. This Commission set rates for UNEs in its July 14, 1997 Order in Case Nos. 96-431 and 96-482. This Order provided that the rates established in these dockets were "the cost-based prices establishing the initial local competitive market." (Order, p. 3). Further, the Commission noted specifically that these rates "are based on the evidence of record and establish the most level playing field possible for all market participants. (Id.)(emphasis added). Thus, in the Order of the Commission, UNE rates were set that apply to all market participants, a category that would obviously include BlueStar.

4. At the same time, the rates set in the 1997 proceeding are now almost two and a half years old. Accordingly, BellSouth plans to file a petition in the near future to request that the Commission open a generic docket to set new UNE rates. Assuming the Commission opens such a docket, that generic proceeding would be used to set rates for all of the UNEs encompassed within BlueStar's Issue 11.

5. Also, since the cost studies that BellSouth filed in 1997 contain information that needs to be updated, BellSouth currently is in the process of making necessary revisions to the inputs to its cost model, as well as developing certain methodological changes to the cost model itself. BellSouth is endeavoring to complete work on its

revised cost model in order to use it to file cost studies in April for a generic cost proceeding in Florida that is set to go to hearing in July. Once work on the new model is completed, BellSouth can utilize that model to develop and file appropriate, current cost studies for Kentucky by approximately July 1, 2000. A hearing could be set thereafter, according to a procedural schedule to be set by the Commission, which would likely yield permanent rates by the end of the Summer. Thus, the only real question that arises from Issue 11 concerns the rates that should apply to BlueStar's purchase of the identified UNEs until the Commission can set permanent rates in a generic cost proceeding.

6. BellSouth believes that the answer to this question is relatively straightforward. Until the Commission sets new rates for ADSL and HDSL loops, BlueStar should be subject to the current Commission-ordered rates. In other words, BlueStar should be treated in precisely the same manner as every other carrier that has requested these loops since the Commission entered its Order more than two years ago. BellSouth will not respond in kind to BlueStar's rhetoric which is an attempt to avoid application of the January 27, 2000, Amendment for UCL loops and line conditioning, that BlueStar signed. BellSouth agrees that the Amendment is applicable only to interim rates. BellSouth also believes the interim rates agreed to by the parties in this Amendment should be applied until the Commission sets permanent rates in a generic cost proceeding. However, at the same time, BellSouth has proposed in the testimony of its witness, Alphonso Varner, that these interim rates be trued up to the permanent rates to be set by the Commission in the generic cost proceeding.

7. BellSouth plans to request a generic cost proceeding.[1] Nevertheless, BlueStar is apparently requesting the Commission to order BellSouth to develop cost studies to be used to set rates for BlueStar in advance of this proceeding. If BellSouth were required, however, to develop cost studies in the abbreviated time frame requested by BlueStar (i.e., approximately three weeks), the cost studies would necessarily be based on the inputs and methodology developed by BellSouth for the last round of cost proceedings. In other words, the cost studies would be somewhat dated from the moment of completion, and would, therefore, necessarily have to be replaced by the new cost studies that will be filed in the next generic cost proceeding. Thus, put in context, BlueStar is actually requesting that the Commission delay this proceeding for two months in order to compel BellSouth to produce cost studies, which would then be used to set interim rates for BlueStar that would only be in effect during the approximately three months prior to permanent rates being set in a generic proceeding, based on more recently developed cost studies. BellSouth submits that this requested action is a waste of BellSouth's resources and this Commission's time.

8. As stated above, HDSL and ADSL rates have been set by the Commission and are currently in place. These rates have been applied to every CLEC that has utilized these UNEs since the Commission entered its order in 1997. There is no reason to treat BlueStar any differently than any other carrier. At the same time, new permanent rates for ADSL and HDSL loops will be set within the next few months, and these new rates should apply equally to BlueStar and to all other CLECs. There is no reason to

[1] BellSouth informed BlueStar of its plans in a telephone conference on March 4, 2000. On March 5, 2000, BlueStar sent to BellSouth a somewhat more inflammatory version of its Motion to Compel in an attempt to induce BellSouth to agree to the continuance. BellSouth responded with a letter to BlueStar reiterating its plans, and stating to BlueStar specifically that its motion mischaracterized BellSouth's position.

give BlueStar "special rates" that differ from the rates given to all other CLECs in Kentucky and to do so would be discriminatory.

9. As to rates for UCLs and line conditioning, again, BellSouth believes the facts, if examined, demonstrate the parties have an Amendment in place that sets these rates on an interim basis. BlueStar appears to concede that the amendment is valid and legally binding, but claims that it is of exceedingly short duration. See BlueStar's Motion to Compel and Motion for Continuance, page 1, 2nd line from the bottom. BlueStar also contends that the agreement was intended to set a rate that applies until the Commission sets a rate. BellSouth agrees with this position. The difference in the parties' respective views lies in the fact that BellSouth believes that this interim rate should apply until the Commission sets a permanent rate in an upcoming UNE cost proceeding. BlueStar apparently takes the position that the interim rate to which it has committed only applies until the Commission sets a different rate in this arbitration. Id. Based on the facts set forth above, that rate would necessarily be interim. In point of fact, BlueStar has made the alternative request in its Motion that the Commission set interim rates for UCLs and line conditioning at a very small fraction of the interim rates to which it agreed in the amendment. Paradoxically, BlueStar's primary request is that this proceeding be postponed for several months, during which time BlueStar would presumably continue to pay the interim rates to which it has agreed in the Amendment. See BlueStar's Motion to Compel and Motion for Continuance, subparagraph 2 of the "Wherefore clause" on page 13.

10. BellSouth believes that BlueStar should pay the interim rates in the amendment until a permanent rate is set. BellSouth also believes that there is no point

in setting a rate in an arbitration with BlueStar by June 12, 2000[2] (based upon outdated cost study material) and calling it permanent, when all parties involved know that it will be replaced in the very near future. Instead, the better alternative is for BlueStar to simply abide by the Amendment it signed until permanent rates are set in a generic proceeding.

11. All of which returns to the issue of whether a continuance is necessary. Although BellSouth does not believe a continuance is necessary, strictly speaking, there are certainly factors that militate in favor of granting a continuance. Under the abbreviated procedural schedule that has been set in this case, no provision has been made for the filing of rebuttal testimony. Thus, if this proceeding goes to hearing in less than a week, rebuttal testimony will have to be given "live," a procedure that varies from the Commission's normal practice, and will likely result in a considerably longer hearing than would be required if the normal format of prefiling testimony were followed. Moreover, BellSouth has determined that one of its witnesses, Alphonso Varner, is set to testify in a previously scheduled case in South Carolina on March 14, 15, and 16. Thus, if the Commission proceeds under its original schedule, one of BellSouth's witnesses will have a time conflict, and there is no clear method to resolve this conflict. For both of these reasons, BellSouth does not oppose a continuance.

12. As stated above, four issues remain in this case, other than the loop rates that are the subject of Issue 11. If BlueStar prefers to try these issues later rather than sooner, BellSouth does not object to this approach. BellSouth, however, does not believe that there is any purpose to be served by using this delay to force BellSouth to jump through the unnecessary hoop of developing cost studies that will be outdated from

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[2] June 12, 2000 is the date by which BlueStar proposes that this Commission enter an Arbitration Order (Motion, p. 13).

the very moment that they come into existence, and that will be replaced shortly by rates set in a subsequent generic cost proceeding.

WHEREFORE, BellSouth respectfully requests the Commission to enter an order denying BlueStar's Motion to Compel BellSouth to produce cost studies. As set forth above, BellSouth has no objection otherwise to BlueStar's Motion for a continuance.

Respectfully submitted,

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COUNSEL FOR BELLSOUTH
TELECOMMUNICATIONS, INC.

200317

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served on the individuals on the attached Service List by mailing a copy thereof, this 9th day of March 2000.

Dorothy J. Chambers

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Creighton E. Mershon, Sr.
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March 8, 2000

Mr. Martin J. Huelsmann, Jr.
Executive Director
Public Service Commission
211 Sower Boulevard
P. O. Box 615
Frankfort, KY 40602

Re: Petition for Arbitration of BlueStar Networks, Inc. with BellSouth Telecommunications, Inc. pursuant to the Telecommunications Act of 1996
PSC 99-498

Dear Mr. Huelsmann:

Enclosed for filing in the above-captioned case are the original and twelve (12) copies of Testimony of W. Keith Milner, Ronald M. Pate, and Alphonso J. Varner, BellSouth's witnesses. Also enclosed for filing is the Stipulation which provides a list of the agreed upon portions of the parties' contract which have not already been filed. BellSouth also files the Amendment executed February 28 and 29, 2000, by the parties for an effective date of February 28, 2000.

BellSouth plans to file a response to BlueStar's Motion to Compel and Motion for Continuance filed March 7, 2000. Because of BlueStar's Motion for Continuance, the fact that BellSouth and BlueStar are still in negotiations, and also because of an apparent conflict between the provisions of the Commission's February 24, 2000, Order, (numerical paragraph 6 at page 3 of the Order states that the best and final offer is to be submitted no later than March 8, 2000, but paragraph 2 at page 1 of the Order states that the best and final offer is to be filed by March 10, 2000) BellSouth respectfully plans to file its proposed version of the best and final offer in contract form no later than March 10, 2000.

Sincerely,

Creighton E. Mershon, Sr.

Creighton E. Mershon, Sr.

Enclosures

cc: Parties of Record
200361

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served on the individuals on the attached Service List by mailing a copy thereof, this 8th day of March 2000.

Dorothy J. Chambers

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KPSC 99-498

BlueStar's Arbitration with BellSouth

BST Testimony

- Milner
- Pate
- Varner

Agreed Upon Portions of the Contract

March 8, 2000

AFFIDAVIT

STATE OF GEORGIA

COUNTY OF FULTON

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared W. Keith Milner, Senior Director, BellSouth Telecommunications, Inc., being by me first duly sworn, deposed and said that:

He is appearing as a witness before the Kentucky Public Service Commission in Case No. 99-498, Petition for Arbitration of BlueStar Networks, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1999, on behalf of BellSouth Telecommunications, Inc., and if present before the Commission and duly sworn, his testimony would be as set forth in the annexed testimony consisting of 21 pages and 1 exhibit(s).

W. KEITH MILNER

SWORN TO AND SUBSCRIBED BEFORE ME THIS THE 7th DAY OF March 2000.

NOTARY PUBLIC

My Commission Expires:

MICHEALE F. HOLCOMB
Notary Public, Douglas County, Georgia
My Commission Expires November 3, 2001

BELLSOUTH TELECOMMUNICATIONS, INC.

DIRECT TESTIMONY OF W. KEITH MILNER

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

CASE NO. 99-498

MARCH 8, 2000

Q. PLEASE STATE YOUR NAME, ADDRESS, AND POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC.

A. My name is W. Keith Milner. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375. I am Senior Director - Interconnection Services for BellSouth Telecommunications, Inc. ("BellSouth"). I have served in my present role since February 1996 and have been involved with the management of certain issues related to local interconnection, resale, and unbundling.

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

A. My business career spans over 29 years and includes responsibilities in the areas of network planning, engineering, training, administration, and operations. I have held positions of responsibility with a local exchange telephone company, a long distance company, and a research and development laboratory. I have extensive experience in all phases of telecommunications network planning, deployment, and operation

(including research and development) in both the domestic and international arenas.

I graduated from Fayetteville Technical Institute in Fayetteville, North Carolina in 1970 with an Associate of Applied Science in Business Administration degree. I also graduated from Georgia State University in 1992 with a Master of Business Administration degree.

Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE ANY STATE PUBLIC SERVICE COMMISSION? IF SO, BRIEFLY DESCRIBE THE SUBJECT OF YOUR TESTIMONY.

A. I testified before the state Public Service Commissions in Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, South Carolina, the Tennessee Regulatory Authority, and the Utilities Commission in North Carolina on the issues of technical capabilities of the switching and facilities network regarding the introduction of new service offerings, expanded calling areas, unbundling, and network interconnection.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY BEING FILED TODAY?

A. In my testimony, I will address Issue Number 16 of the Petition for Arbitration filed by BlueStar Networks, Inc. ("BlueStar") in this docket.

Issue 16: What is the appropriate method for BlueStar to gain access to BellSouth's riser cables, allowing BlueStar to provision its digital subscriber line access multiplexer (DSLAM)?

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

A. BellSouth should negotiate with BlueStar to reach agreement on rates, terms, and conditions for such access. For example, BellSouth has provided Competing Local Exchange Carriers (CLECs) with the sub-loop element loop distribution, which includes the equivalents of riser cable and network terminating wire. This manner of access retains network reliability, integrity, and security for both BellSouth's network and the CLEC's network. BellSouth believes that BlueStar should not be allowed to use its DSLAM as the demarcation point in buildings nor be allowed to cross-connect directly to BellSouth's riser cable or network terminating wire (NTW) for the reasons I will discuss in this testimony.

Q. WHAT IS RISER CABLE?

A. In multi-story buildings, riser cable is that part of BellSouth's loop facilities extending from the building's cable entrance (often in the basement or on the first floor) and rising to each floor served by that cable. However, there is also a second piece of cable called Network Terminating Wire ("NTW") that connects with the riser cable and terminates at the end-user's Network Interface Device ("NID"). The collective and more

accurate term for what is being discussed here is Intrabuilding Network Cable ("INC"). INC refers not only to multi-story situations but campus situations where cabling must be run from a central point to each of multiple one-story buildings on the property. Thus INC, which includes riser cable, is a part of that sub-loop element referred to as loop distribution and is located on the network side of the demarcation point between BellSouth's loop facilities and the inside wire at an end user customer's premises.

Q. PLEASE DESCRIBE THE NETWORK INTERFACE DEVICE (NID)

A. Simply stated, the NID provides a demarcation point between BellSouth's facilities (that is, the loop) and the customer's facilities (that is, the inside wire). Thus, the NID provides a way to connect the loop to the inside wire and provides a place to test and determine whether a given trouble condition is the result of problems with the inside wire or problems in the service provider's network.

Q. WHAT IS NETWORK TERMINATING WIRE (NTW)?

A. NTW is another part of the BellSouth loop facilities referred to as the sub-loop element loop distribution. In multi-story buildings, network terminating wire is connected to the riser cable and "fans out" the cable pairs to individual customer suites or rooms on a given floor within that building. In this sense, network terminating wire is the "last" part of the

loop on the network side of the demarcation point between the loop and the inside wire.

To summarize, entrance cables are connected to riser cables which extend the cable pair to each floor of the building served by a given entrance cable. The riser cable pairs are in turn connected to network terminating wire that is in turn connected to the NID. Thus, the NID establishes the demarcation point between BellSouth's network and the inside wire at the end user customer's premises with both network terminating wire and riser cable being located on BellSouth's side of the demarcation point and, thus, comprising part of BellSouth's network.

Q. IS EITHER NETWORK TERMINATING WIRE OR RISER CABLE (THAT IS INC) CLASSIFIED AS INSIDE WIRE?

A. No. Per Orders in FCC Docket 79-105, wiring which is on the customer's side of the network demarcation point is classified as inside wire. Since neither network terminating wire nor riser cable is located on the customer's side of the network demarcation point, it is not, by the FCC's definition, "inside wire." BellSouth does not in any way restrict the use of "inside wire", that is, wiring on the customer's side of the demarcation point.

Q. WHAT ARE SUB-LOOP ELEMENTS?

A. Sub-loop elements are the piece parts that make up the entire loop that extends from the BellSouth central office to the demarcation point between BellSouth's network and the inside wire at the end user customer's premises. Neither sub-loop elements, nor the piece parts referred to as network terminating wire and riser cable (collectively, INC) are classified as inside wire. Rather, since these are all on the network side of the demarcation point, they are all parts of BellSouth's loop facilities. However, network terminating wire and/or riser cable might be thought of as "sub-sub-loop element unbundling" in that network terminating wire and riser cable are piece parts of the sub-loop element Loop Distribution.

Q. HAS THE FCC DEALT WITH THE ISSUE OF THE LOCATION OF THE DEMARCATION POINT BETWEEN A TELECOMMUNICATIONS SERVICE PROVIDER'S NETWORK AND INSIDE WIRE?

A. Yes, in Part 68 of its rules. Part 68.3(b) deals separately with buildings existing after August 13, 1990, and with buildings existing on or before August 13, 1990. Following is the entire text of Part 68.3(b)(1) which deals with buildings existing as of August 13, 1990:

> "In multiunit premises existing as of August 13, 1990, the demarcation point shall be determined in accordance with the local carrier's reasonable and non-discriminatory practices. Provided, however, that where there are multiple demarcation points within the multiunit premises, a demarcation point for a customer shall not

be further inside the customer's premises than a point twelve inches from where the wiring enters the customer's premises, or as close thereto as practicable."

Following is the complete text of paragraph 68.3(b)(2) which deals with wiring installed after August 13, 1990:

"In multiunit premises in which wiring is installed after August 13, 1990, including major additions or rearrangements of wiring existing prior to that date, the telephone company may [emphasis added] establish a reasonable and nondiscriminatory practice of placing the demarcation point at the minimum point of entry. If the telephone company does not elect to establish a practice of placing the demarcation point at the minimum point of entry, the multiunit premises owner shall determine the location of the demarcation point or points. The multiunit premises owner shall determine whether there shall be a single demarcation point location for all customers or separate such locations for each customer. Provided, however, that where there are multiple demarcation points within the multi-unit premises, a demarcation point for a customer shall not be further inside the customer's premises than a point 30 cm (12 in) from where the wiring enters the customer's premises, or as close thereto as practicable."

I note that the words "presumption" or "presumed", or anything similar, do

not appear in this part of the FCC's Rules. Thus, the FCC's rules in no way express any presumption of, or preference for, demarcation points located at the MPOE.

Q. DOES BELLSOUTH HAVE A REASONABLE AND NONDISCRIMINATORY POLICY ON DEMARCATION POINTS?

A. Yes. BellSouth establishes the demarcation point consistent with rules promulgated by the FCC in Docket 88-57. BellSouth has not elected to establish a practice of placing the demarcation point at the MPOE. Thus, if the building owner wants BellSouth to establish a single demarcation point to serve the entire building, BellSouth will comply with such a request. If the building owner does not want a single demarcation point, BellSouth provides demarcation points in each tenant's office or suite.

Q. WHICH PARTY INSTALLS AND MAINTAINS INTRABUILDING NETWORK CABLE?

A. In the situation we are discussing here, that is, in cases where the property owner has not elected to have a single demarcation point for all tenants in a building in accordance with the FCC's Part 68 rules (that is, has not established the demarcation at the Minimum Point Of Entry or MPOE), BellSouth has installed, operated, and maintained INC solely for use in providing service to its customers (both its end user customers and CLECs to whom BellSouth provides sub-loop elements on an unbundled

basis). BellSouth includes INC in its mechanized inventory databases for assignment and use for new service or for repair purposes as needed.

Q. DOES BELLSOUTH PROVIDE RISER CABLE OR NETWORK TERMINATING WIRE TO OTHER CLECs PURSUANT TO INTERCONNECTION AGREEMENTS OR OTHER SUCH AGREEMENTS?

A. Yes. Other telecommunications service providers, including both CLECs and Shared Tenant Service Providers, recognize BellSouth's ownership of riser cable and network terminating wire. BellSouth has reached agreement on the use of its riser cable and network terminating wire with several such companies. Regarding access to riser cable, BellSouth will negotiate with the requesting CLEC to reach agreement on rates, terms, and conditions for such access. BellSouth has provided CLECs with the sub-loop element loop distribution, which includes the equivalents of riser cable and network terminating wire.

BellSouth's proposed manner of access retains network reliability, integrity, and security for both BellSouth's network and the CLEC's network.

Q. WHAT ARE THE FEDERAL COMMUNICATIONS COMMISSION'S ("FCC") REQUIREMENTS ON NETWORK SECURITY.

A. In its First Report and Order (CC Docket No. 96-98, released August 8, 1996) at paragraph 198, the FCC included the following statement:

"Specific, significant, and demonstrable network reliability concerns associated with providing interconnection or access at particular point, however, will be regarded as relevant evidence that interconnection or access at that point is technically infeasible."

The FCC elaborated further on this point at paragraph 203 of that same order, by stating:

"We also conclude, however, that legitimate threats to network reliability and security must be considered in evaluating the technical feasibility of interconnection or access to incumbent LEC networks. Negative network reliability effects are necessarily contrary to a finding of technical feasibility. *Each carrier must be able to retain responsibility for the management, control, and performance of its own network."* (Emphasis added.)

Thus, the FCC's First Report and Order provides clear guidance to find that allowing an CLEC direct access to BellSouth's riser cable or network terminating wire is not technically feasible.

In fact, one important aspect of the FCC's definition of "technical feasibility" is the recognition that methods of interconnection or access

that adversely affect network reliability are "relevant evidence that interconnection or access at that particular point is technically infeasible." (First Report and Order, ¶¶ 198, 203) Thus, BlueStar's proposal must be examined in light of its adverse effect on network reliability and security.

Q. WHEN YOU EXAMINE BLUESTAR'S PROPOSAL IN LIGHT OF ITS ADVERSE EFFECT ON NETWORK RELIABILITY AND SECURITY, WHAT IMPACT COULD IT HAVE ON END USER CUSTOMERS?

A. Closer examination of BlueStar's proposal immediately reveals that BlueStar's technicians could, intentionally or unintentionally, disrupt the service provided by BellSouth to its end user customers or the end user customers of CLECs using unbundled sub-loop elements acquired from BellSouth. The FCC requires that "each carrier must be able to retain responsibility for the management, control, and performance of its own network." (First Report and Order, ¶ 203) BlueStar's proposal strikes at the heart of this provision and, if allowed, would render BellSouth incapable of managing and controlling its network in the provision of service to its end user customers. Clearly, the adoption of BlueStar's proposal could place BellSouth in jeopardy of violating the FCC's rules.

Q. IS BLUESTAR'S DSLAM AN APPROPRIATE POINT OF INTERCONNECTION?

A. No. Points of interconnection, wherever they are located, establish where

one service provider's network ends (and thus its responsibilities for provisioning, maintenance, and repair) and where another service provider's network begins. BellSouth believes some mutually accessible device such as a connector block is a far more appropriate point of interconnection than a DSLAM. I do not believe BlueStar would want BellSouth doing testing and related work on BlueStar's DSLAM equipment to determine whose network needed repair. Such would be the case, however, if BlueStar's DSLAM equipment also served as the point of interconnection between BellSouth's network and BlueStar's network.

Q. HAS THE MATTER OF APPROPRIATE ACCESS TO NETWORK TERMINATING WIRE BEEN CONSIDERED BY THIS COMMISSION?

A. No. However, the issues raised here are virtually identical to those considered in the Petition for Arbitration by MediaOne, Docket No. 990149-TP before the Florida Public Service Commission.

Q. WHAT DID MEDIAONE WANT IN THAT DOCKET?

A. MediaOne wanted direct access to BellSouth's terminals at which BellSouth terminates its network terminating wire for multiple dwelling units.

Q. WHAT WAS BELLSOUTH'S PROPOSAL AS PRESENTED IN THE MEDIAONE DOCKET?

A. I proposed the following in my direct testimony:

> "BellSouth offers a reasonable method of access to the NTW in BellSouth's garden terminal. Using BellSouth's proposed method, the CLEC installs its own terminal in proximity to the BellSouth garden terminal. BellSouth installs an access terminal that contains a cross-connect panel on which BellSouth will extend the CLEC requested NTW pairs from the garden terminal. The CLEC will then extend a tie cable from their terminal and connect to the pairs they have requested. The CLEC would then install its own Network Interface Device ("NID") within the end-user apartment and connect the CLEC requested pair(s) to this NID. This manner of access retains network reliability, integrity, and security for both BellSouth's network and the CLEC's network."

Q. WHAT WAS THE FLORIDA COMMISSION'S RULING IN THE MEDIAONE DOCKET?

A. In its Order No. PSC-99-2009-FOF-TP issued October 14, 1999, the Commission stated the following:

> "Based on the evidence presented at the hearing, we believe

that it is in the best interests of the parties that the physical interconnection of MediaOne's network be achieved as proposed by BellSouth. We find from the record that at least one other CLEC in Florida and an unknown number of CLECs in other states have been able to provide service based on BellSouth's NTW proposal."

Q. IS THE USE OF NETWORK TERMINATING WIRE IN MULTIPLE DWELLING UNITS SIMILAR TO THE USE OF RISER CABLE AND NETWORK TERMINATING WIRE IN MULTI-STORY BUILDINGS?

A. Yes. In my view, the serving principles and technology are essentially the same.

Q. HAVE YOU PREPARED AN EXHIBIT WHICH ILLUSTRATE'S BELLSOUTH'S PROPOSAL IN THIS DOCKET?

A. Yes. Exhibit WKM-1 contains four (4) pages that I hope aid in understanding this issue. Page 1 shows the typical access to unbundled NTW in a "garden" apartment. While the issue I am discussing here is the proper methods of access to BellSouth's riser cable, the conceptual issue is the same. The apartments on page 1 could as easily be separate floors in a multi-story building. BellSouth provides CLECs with access to BellSouth's network terminating wire via the access terminal which is

cross-connected by tie cable pairs with the terminals of both BellSouth and the CLEC thus allowing an CLEC access while preserving network reliability and security. Page 2 shows a typical serving arrangement in multi-story buildings for which BellSouth is the sole provider of telephone service. Page 3 shows BellSouth's proposed form of access for BlueStar and any other CLEC. It utilizes an access terminal that is cross-connected by tie cable with the terminals of both BellSouth and BlueStar. Page 4 shows BellSouth's understanding of BlueStar's proposed form of access. It shows that both BellSouth and BlueStar's loop facilities would be terminated in the same terminal, thereby giving BlueStar direct access to all the riser cable pairs including those used by BellSouth's end user customers and other CLECs' end user customers in cases where the CLEC provides service in part via unbundled sub-loop elements acquired from BellSouth.

Q. IS THE METHODOLOGY PROPOSED BY BELLSOUTH APPROPRIATE FOR PROVIDING BLUESTAR'S ACCESS TO BELLSOUTH'S RISER CABLE WHILE ALSO ALLOWING BLUESTAR TO PROVISION ITS DSLAM?

A. Yes. BlueStar would provision its DSLAM on its side of the access terminal thereby removing the DSLAM as a matter of concern to BellSouth.

Q. DOES BELLSOUTH'S PROPOSAL ADEQUATELY ADDRESS

NETWORK RELIABILITY AND SECURITY CONCERNS?

A. Yes. The access terminal provides a technically feasible method of separating BellSouth's network and BlueStar's network in a manner, which permits each company complete control of and responsibility for the maintenance and repair of its facilities.

Q. IS IT POSSIBLE FOR SERVICE PROVIDERS SUCH AS BLUESTAR TO SELF PROVISION ITS OWN RISER CABLE AND NETWORK TERMINATING WIRE?

A Yes. There are many cases where riser cable capacity must be augmented to allow growth of additional customer lines. Such augmentation of capacity is routine. The conduits rising between floors are often shared by the service providers in a given building. Most importantly, BellSouth is not opposed to providing its riser cable to BlueStar or any CLEC on an unbundled basis. BellSouth's concern is with the manner in which that access is achieved.

Q. WHAT ISSUES ARE ROUTINELY CONFRONTED IN THE AUGMENTATION OF RISER CABLES AND NETWORK TERMINATING WIRE CAPACITY?

A BellSouth, itself, is faced with the issue of reinforcing Intrabuilding Network Cable ("riser cable") on a daily basis, as are other CLECs who provide

their own equivalents to BellSouth's Intrabuilding Network Cable. In most cases, there are spare pathways and spaces that can be used, subject to approval by the building owner. A key activity is to review building infrastructures and obtain the owner's permission to use existing spare facilities prior to making a commitment to provide service to tenants/end users. In cases where additional through-floor penetrations are required and the building owner refuses to allow such work to be performed, any carrier, including BellSouth, would have to consider the option of leasing spare facilities from another carrier. Where spare cable pairs are available, BellSouth offers Intrabuilding Network Cable as a UNE. In summary, BlueStar is free in many cases to provide its own riser cable, to lease riser cable from another CLEC, or to lease it from BellSouth.

Q. WHAT IS YOUR UNDERSTANDING OF BLUESTAR'S PROPOSED METHOD OF ACCESS TO BELLSOUTH'S RISER CABLE?

A. BellSouth's understanding of BlueStar's proposed form of access is shown on Page 4 of my Exhibit WKM-1, which is attached to this testimony. It shows that both BellSouth and BlueStar's loop facilities would be terminated in the same terminal, thereby giving BlueStar direct access to all the riser cable pairs, including those used by BellSouth's end user customers and other CLECs' end user customers in cases where the CLEC provides service in part via unbundled sub-loop elements acquired from BellSouth.

Q. WHAT IS THE PROBLEM WITH BLUESTAR'S PROPOSAL?

A. BlueStar's proposal needlessly increases the risk of customer service interruption, both to BellSouth's retail customers as well as to other CLECs' customers. Service providers other than BellSouth have also installed riser cable in particular buildings and, under BlueStar's proposal, could be used by BlueStar without consent or notice and conceivably could result in service outages for the other service provider's customers. Closer examination of BlueStar's proposal immediately reveals that BlueStar's technicians could, intentionally or unintentionally, disrupt the service provided by BellSouth to its end user customers or the end user customers of CLECs using unbundled sub-loop elements acquired from BellSouth. The FCC requires that "each carrier must be able to retain responsibility for the management, control, and performance of its own network." (First Report and Order 96-325, ¶ 203) BlueStar's proposal, if allowed, would render BellSouth incapable of managing and controlling its network in the provision of service to its end user customers. How BlueStar believes accurate records of riser cable inventory (that is, riser cable pairs in use, spare, or defective) might be maintained is a mystery. Further, BellSouth (and any other provider of riser cable) would be at BlueStar's mercy to inform the owner of the riser cable as to when, where, and how BlueStar used its property.

Q. DOES BELLSOUTH PROVIDE MAINTENANCE FOR UNBUNDLED ACCESS TO BELLSOUTH'S RISER CABLE?

A. Yes. As with other unbundled network elements, BellSouth provides any needed maintenance or repair of the associated network facilities.

Q. WHAT FUNCTION OR PURPOSE IS SERVED BY THE ACCESS TERMINAL IN THE ARRANGEMENT PROPOSED BY BELLSOUTH?

A. The access terminal provides an obvious, unambiguous means of providing unbundled access to BellSouth's riser cable without degrading network security and service reliability. Installation of the access terminal costs time and material and BellSouth is entitled to recover both from the cost causer, in this case, BlueStar.

Q. WHAT SERVICE RISK ENSUES FROM A SERVICE PROVIDER HAVING DIRECT ACCESS TO BELLSOUTH'S RISER CABLE OR NETWORK TERMINATING WIRE AND USING SUCH WITHOUT BELLSOUTH'S KNOWLEDGE OR PERMISSION?

A. Such actions would put at risk not only the service to BellSouth's own retail customers but also the customers of CLEC's lawfully using riser cable acquired from BellSouth. Likewise, such behavior would also put at risk the service to the customers of any other service provider which has provisioned its own riser cable and which were similarly used without the owner's knowledge or permission.

Q. ARE RISER CABLE AND NETWORK TERMINATING WIRE PART OF BELLSOUTH'S NETWORK OR ARE THEY INSIDE WIRE?

A. Riser cable and network terminating wire are each parts of BellSouth's loop facilities. The NID is at the end or the riser cable (or in some cases, at the end of the network terminating wire connected to the end of the riser cable). The NID serves as the demarcation point between the loop and the customer's inside wire.

Q. IF BLUESTAR WERE TO AGREE TO BELLSOUTH'S PROPOSED FORM OF ACCESS TO RISER CABLE AND NETWORK TERMINATING WIRE, MUST A BELLSOUTH TECHNICIAN BE DISPATCHED TO THE CUSTOMER'S PREMISES EACH AND EVERY TIME BLUESTAR ACQUIRES A CUSTOMER AND WANTS TO PROVIDE SERVICE TO THAT CUSTOMER IN PART USING BELLSOUTH'S RISER CABLE AND NETWORK TERMINATING WIRE?

A. No. BlueStar may request and BellSouth will provide riser cables on a pre-wired basis such that the riser cables are already available to BlueStar at the time it chooses to provide service to its customer without having to wait for BellSouth to complete any required cross connections. Thus, BellSouth's work (both for installing the access terminal and for extending any riser cables to the access terminal for BlueStar's subsequent use) may be done well in advance of any actual service provisioning to a given end user customer. While pre-wiring does require BlueStar to begin

paying the monthly lease fees immediately, this is a business decision that is entirely at BlueStar's option. Thus, BlueStar does not have to wait for BellSouth to complete a cross connection or for any other provisioning activity if BlueStar has previously requested and BellSouth has provided pre-wired connections to the riser cable and network terminating wire.

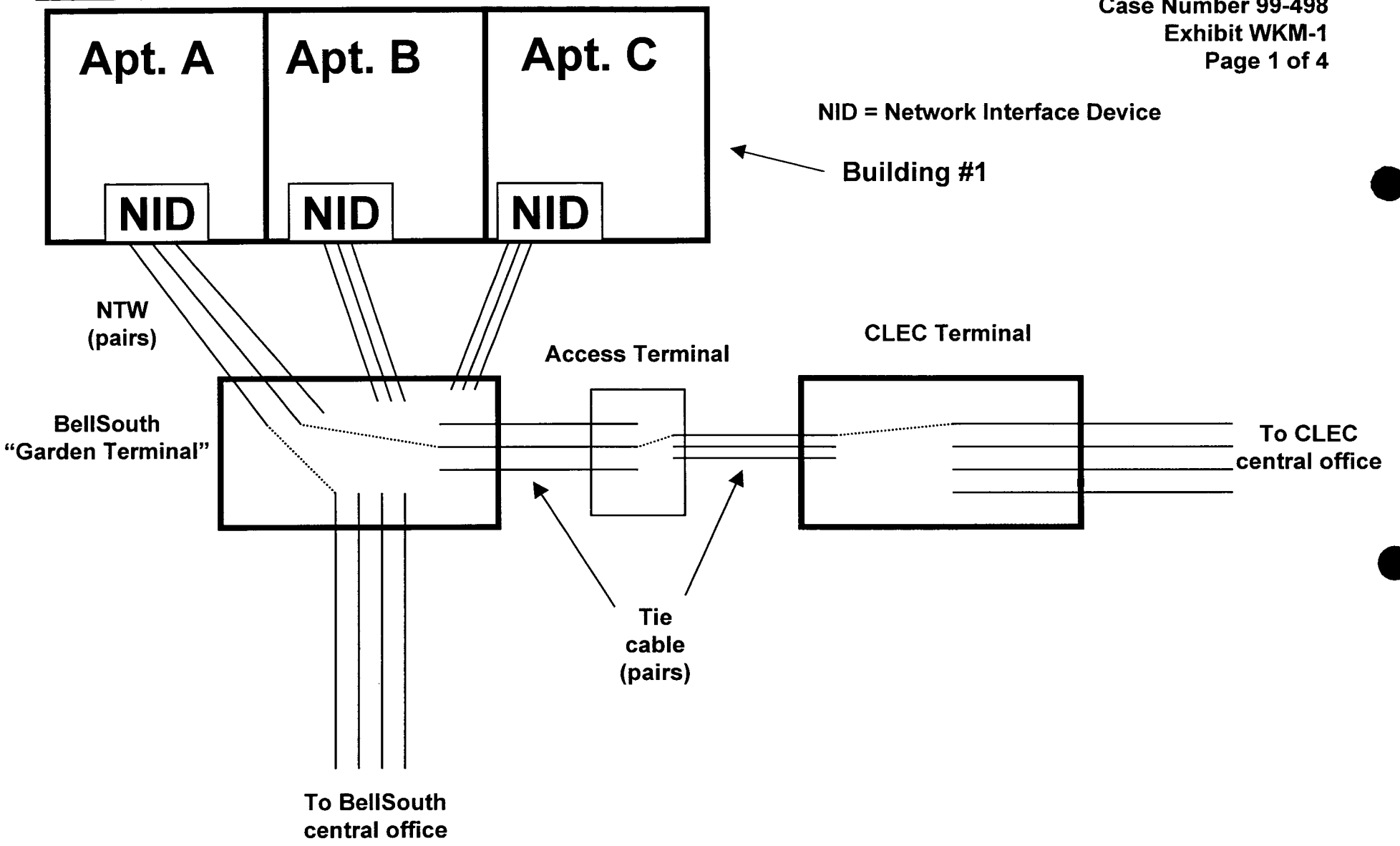
Q. IS BLUESTAR'S DIGITAL SUBSCRIBER LINE ACCESS MULTIPLEXER (DSLAM) AN APPROPRIATE POINT OF INTERCONNECTION BETWEEN BLUESTAR'S NETWORK AND BELLSOUTH'S NETWORK?

A. No. Points of interconnection, wherever they are located, establish where one service provider's network ends (and thus its responsibilities for provisioning, maintenance, and repair) and where another service provider's network begins. BellSouth believes some mutually accessible device such as the access terminal is a far more appropriate point of interconnection than a DSLAM.

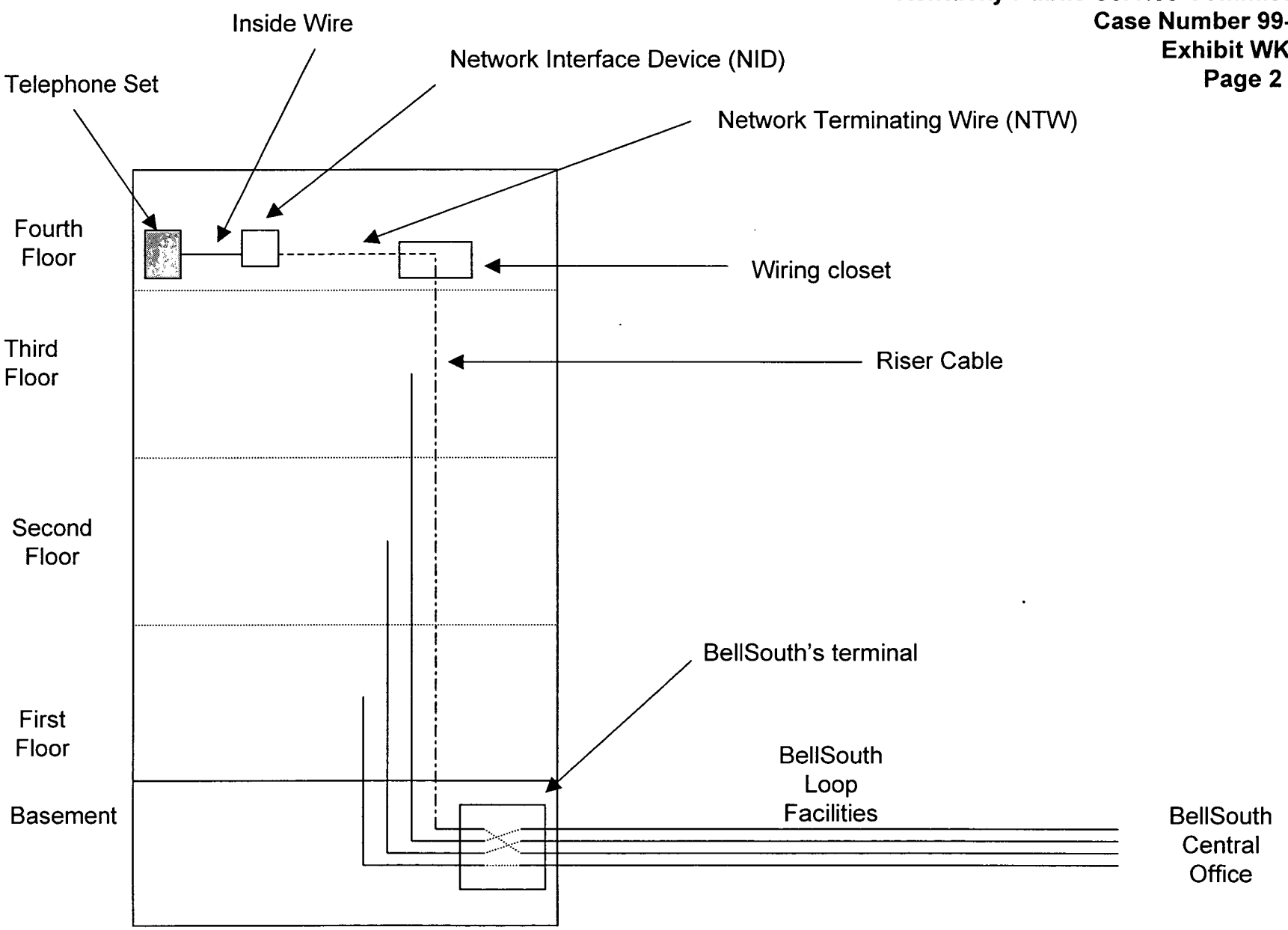
Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

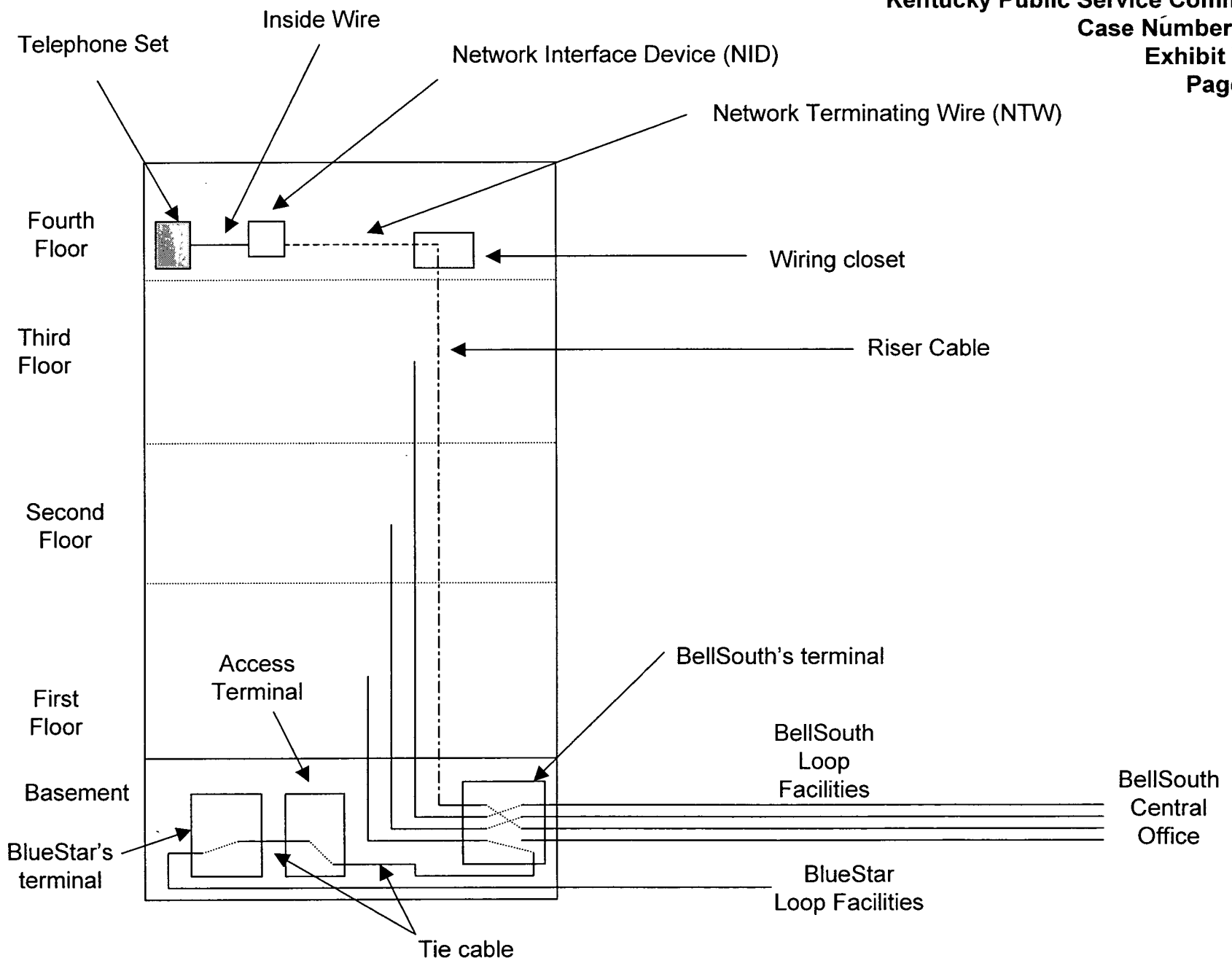
Typical access to unbundled network terminating wire in "garden" apartment



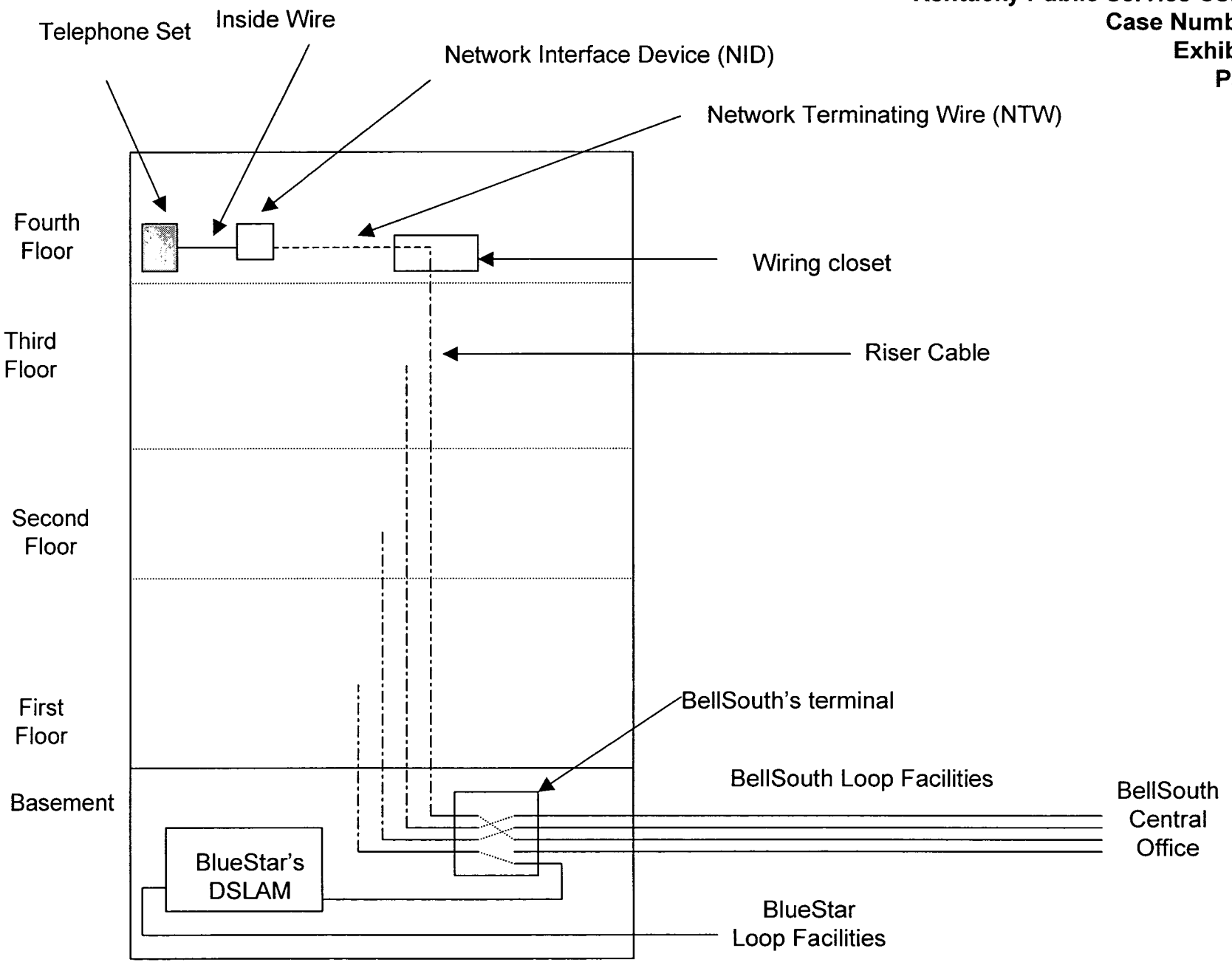
Typical existing serving arrangement



BellSouth's proposed form of access



BellSouth's understanding of BlueStar's proposed form of access



AFFIDAVIT

STATE OF GEORGIA

COUNTY OF FULTON

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Ronald M. Pate, Director, BellSouth Telecommunications, Inc., being by me first duly sworn, deposed and said that:

He is appearing as a witness before the Kentucky Public Service Commission in Case No. 99-498, Petition for Arbitration of BlueStar Networks, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1999, on behalf of BellSouth Telecommunications, Inc., and if present before the Commission and duly sworn, his testimony would be as set forth in the annexed testimony consisting of 4 pages and 0 exhibit(s).

RONALD M. PATE

SWORN TO AND SUBSCRIBED BEFORE ME THIS THE 7th DAY OF March, 2000.

NOTARY PUBLIC

My Commission Expires:

MICHEALE F. HOLCOMB
Notary Public, Douglas County, Georgia
My Commission Expires November 3, 2001

BELLSOUTH TELECOMMUNICATIONS, INC.

DIRECT TESTIMONY OF RONALD M. PATE

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

DOCKET NO. 99-498

MARCH 8, 2000

Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. AND YOUR BUSINESS ADDRESS.

A. My name is Ronald M. Pate. I am employed by BellSouth Telecommunications, Inc. ("BellSouth") as a Director, Interconnection Services. In this position, I handle certain issues related to local interconnection matters, primarily operations support systems ("OSS"). My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

A. I graduated from Georgia Institute of Technology in Atlanta, Georgia, in 1973, with a Bachelor of Science Degree. In 1984, I received a Masters of Business Administration from Georgia State University. My professional career spans over twenty-five years of general management experience in operations, logistics management, human

resources, sales and marketing. I joined BellSouth in 1987, and have held various positions of increasing responsibility.

Q. HAVE YOU TESTIFIED PREVIOUSLY?

A. Yes. I have testified before the Public Service Commissions in Alabama, Florida, Georgia, Louisiana, South Carolina, the Tennessee Regulatory Authority and the North Carolina Utilities Commission.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to provide BellSouth's position on Issue No. 5 raised by BlueStar Networks, Inc. ("BlueStar") in its Petition for Arbitration filed with the Kentucky Public Service Commission ("Commission") on December 7, 1999.

Issue 5: Should BellSouth be required to implement a process whereby xDSL loop orders that are rejected are automatically converted to orders for UCLs without requiring BlueStar to resubmit the order?

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

A. In its Issue 5 Position, BlueStar states "This process should be made available immediately".

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

A. BellSouth should not be required to implement a process to automatically convert BlueStar orders to another type of loop when compatible facilities are not available for the requested service. The "conversion" requested by BlueStar would require that BellSouth make decisions based on the business needs of BlueStar. Such decisions can only be made by BlueStar and cannot be delegated to BellSouth. The BellSouth representatives process service requests only from complete and accurate information submitted by the Competitive Local Exchange Carrier ("CLEC"). It is not reasonable to expect the BellSouth representative to make decisions on behalf of BlueStar or any CLEC with regard to local service request submissions, particularly when such decisions would impact the final service rendered to the CLEC's end user. BlueStar must decide the "best available loop" when the type of loop that has been requested is not available.

Q. DOES THE FCC ADDRESS THIS ISSUE?

A. Yes. In paragraph 427 of its Third Report and Order and Fourth Further Notice of Proposed Rulemaking ("UNE Remand Order") in CC Docket No. 96-98 and released on November 5, 1999, the Federal Communications Commission ("FCC") states that "an incumbent Local Exchange Carrier ("LEC") must provide the requesting carrier with

nondiscriminatory access to the same detailed information about the loop that is available to the incumbent, so that the requesting carrier can make an independent judgement about whether the loop is capable of supporting the advanced services equipment the requesting carrier intends to install." BellSouth will comply with the requirements of the FCC's Order within the timeframe provided by the Order.

Q. WILL BELLSOUTH PROVIDE INFORMATION THAT ALLOWS THE CLEC TO SELECT A "BEST AVAILABLE LOOP" TO MEET ITS NEEDS?

A. Yes. BellSouth is developing the procedures to provide the CLEC detailed loop make-up information via the Service Inquiry ("SI") process. This process will be in strict compliance with and implemented within the timeframes provided in the FCC's UNE Remand Order. The CLEC will be able to review this information and make appropriate decisions for itself and its end user customers.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

AFFIDAVIT

STATE OF GEORGIA

COUNTY OF FULTON

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Alphonso J. Varner, Senior Director, BellSouth Telecommunications, Inc., being by me first duly sworn, deposed and said that:

He is appearing as a witness before the Kentucky Public Service Commission in Case No. 99-498, Petition for Arbitration of BlueStar Networks, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1999, on behalf of BellSouth Telecommunications, Inc., and if present before the Commission and duly sworn, his testimony would be as set forth in the annexed testimony consisting of 14 pages and 1 exhibit(s).

ALPHONSO J. VARNER

SWORN TO AND SUBSCRIBED BEFORE ME THIS THE 7th DAY OF March, 2000.

NOTARY PUBLIC

My Commission Expires:

MICHEALE F. HOLCOMB
Notary Public, Douglas County, Georgia
My Commission Expires November 3, 2001

BELLSOUTH TELECOMMUNICATIONS, INC.

DIRECT TESTIMONY OF ALPHONSO J. VARNER

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

CASE NO. 99-498

MARCH 8, 2000

Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH TELECOMMUNICATIONS, INC. ("BELLSOUTH") AND YOUR BUSINESS ADDRESS.

A. My name is Alphonso J. Varner. I am employed by BellSouth as Senior Director for State Regulatory for the nine-state BellSouth region. My business address is 675 West Peachtree Street, Atlanta, Georgia 30375.

Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR BACKGROUND AND EXPERIENCE.

A. I graduated from Florida State University in 1972 with a Bachelor of Engineering Science degree in systems design engineering. I immediately joined Southern Bell in the division of revenues organization with the responsibility for preparation of all Florida investment separations studies for division of revenues and for reviewing interstate settlements.

Subsequently, I accepted an assignment in the rates and tariffs organization with responsibilities for administering selected rates and tariffs including

preparation of tariff filings. In January 1994, I was appointed Senior Director of Pricing for the nine-state region. I was named Senior Director for Regulatory Policy and Planning in August 1994, and I accepted my current position as Senior Director of Regulatory in April 1997.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to present BellSouth's position on certain unresolved issues in the negotiations between BellSouth and BlueStar Networks, Inc. ("BlueStar"). Specifically, I address Issues 11, 14 15 and a portion of Issue 16. The remaining unresolved issues are addressed in the testimony of BellSouth witnesses Mr. Keith Milner and Mr. Ron Pate.

Issue 11: What are the TELRIC-based recurring and nonrecurring rates for xDSL loops and for a UCL?

Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF THE 2-WIRE ADSL AND 2-WIRE HDSL COMPATIBLE LOOPS AND THE UNBUNDLED COPPER LOOP ("UCL").

A. A 2-wire ADSL compatible loop, as previously filed in Kentucky, is up to 18,000 feet in length with a maximum of 2,500 feet of bridge tap where no single bridge tap length exceeds 2,000 feet. An ADSL compatible loop is designed, provisioned with a test point and comes standard with order coordination and a design layout record ("DLR").

A 2-wire HDSL compatible loop, as previously filed in Kentucky, is up to 9,000 feet in length with a maximum of 2,500 feet of bridge tap where no single bridge tap length exceeds 2,000 feet. An HDSL compatible loop is designed, provisioned with a test point and comes standard with order coordination and a DLR.

The UCL, as requested by BlueStar, actually encompasses two separate products; a copper loop up to 18,000 feet in length and a copper loop greater than 18,000 feet in length. A UCL up to 18,000 feet may contain up to 2,500 feet of bridge tap in addition to the loop itself. The UCL up to 18,000 feet is a designed circuit, provisioned with a test point and comes standard with a DLR. Order coordination will be offered as a chargeable option.

BlueStar has also requested a UCL greater than 18,000 feet in length. The UCL greater than 18,000 feet is a designed circuit, provisioned with a test point and comes standard with a DLR. Order coordination will be offered as a chargeable option.

UCLs will not be held to the service level and performance expectations that apply to ADSL and HDSL loop offerings. BellSouth is only obligated to maintain copper continuity and provide balance relative to tip and ring on UCLs.

Q. WHAT IS BELLSOUTH'S POSITION WITH RESPECT TO THE

APPROPRIATE PRICES FOR THE 2-WIRE ADSL AND 2-WIRE HDSL COMPATIBLE LOOPS?

A. This Commission has already established recurring and nonrecurring prices for two-wire ADSL and HDSL compatible loops. Prices for numerous UNEs, including ADSL and HDSL compatible loops were ordered by this Commission in its July 14, 1997 Order in Case Nos. 96-431 and 96-482 ("July 14, 1997 Order"). In this Order, the Commission stated, "The rates established herein are the cost-based prices establishing the initial local competitive market. They are based on the evidence of record and establish the most level playing field possible for all market participants."

Q. WHY DOES BELLSOUTH BELIEVE THAT THE PRICES FOR UNEs PREVIOUSLY ORDERED BY THIS COMMISSION ARE APPROPRIATE FOR BLUESTAR?

A. The cost-based rates adopted in the July 14, 1997 Order are generic in that they represent the costs of providing UNEs to any requesting carrier. These costs do not vary, whether it is AT&T or BlueStar that is requesting the element. Therefore, the costs that this Commission has already used to establish prices for AT&T and MCI should be the same for BlueStar or for any other Competitive Local Exchange Carrier ("CLEC").

Q. ARE THE RATES FOR UCLs AND LOOP CONDITIONING STILL AT ISSUE IN THIS PROCEEDING?

A. No. On January 27, 2000, BellSouth and BlueStar signed an amendment to their interconnection agreement that establishes interim rates subject to true-up for UCLs and loop conditioning. This amendment, attached as Exhibit AJV-1, was filed with the Commission on February 8, 2000.

Q. IF, FOR ANY REASON, THE COMMISSION DECLINES TO APPROVE THE JANUARY 27, 2000 AMENDMENT, WHAT DOES BELLSOUTH PROPOSE AS THE APPROPRIATE INTERIM PRICES FOR UCLs AND LOOP CONDITIONING?

BellSouth fully expects the January 27, 2000 amendment to be approved by the Commission. However, if the Commission declines to approve the amendment, BellSouth proposes that the ADSL and HDSL rates (shown below) approved in Kentucky be used as a surrogate for UCLs on an interim basis subject to true-up pending the Commission's approval of Kentucky specific cost studies that BellSouth would file, at a later date. These rates are the same as those contained in the January 27, 2000 amendment.

In addition, BellSouth proposes line conditioning notes as shown in the chart below. Although the line conditioning rates are the same as those contained in the amendment, they are consistent with rates determined through line conditioning cost studies that were recently filed in North Carolina and Georgia. These rates should also be approved on an interim basis subject to true-up of permanent rates to be set at a future date.

UCLs	Recurring	Nonrecurring
2-Wire UCL up to 18Kft	$11.89	$713.50 (1st) $609.44 (Ea. add'l)
2-Wire UCL greater than 18Kft	$11.89	$713.50 (1st) $609.44 (Ea. add'l)
Manual Service Order		$47.00(1st) $21.00 (Ea. add'l)
Manual Service Order Disconnect		$17.77
Loop Conditioning		
Load Coil/Equipment Removal per Pair for Loops up to 18kft	N/A	$485.00 (1st) $25.00 (Ea. add'l)
Load Coil/Equipment Removal per Pair for Loops greater than 18kft	N/A	$775.00 (1st) $25.00 (Ea. add'l)
Bridged Tap Removal	N/A	$485.00 (1st) $20.00 (Ea. add'l)

Q. WHY DOES BELLSOUTH PROPOSE INTERIM PRICES SUBJECT TO TRUE-UP FOR THESE ELEMENTS?

A. BellSouth believes that the interim rates for UCLs and line conditioning have been resolved by the January 27, 2000 Amendment. BellSouth, however, believes that, in the unlikely event the Commission does not approve the amendment, BellSouth should have an alternative proposal for setting rates for UCLs and loop conditioning. BellSouth believes the above rates contained in the amendment are appropriate on an interim basis until the Commission adopts Kentucky specific permanent rates for these items. Based upon permanent rates subsequently adopted by the Commission, BellSouth will true-up the interim prices back to the effective date of the new interconnection

agreement between BellSouth and BlueStar.

Issue 14: Should the interconnection agreement include the liquidated damages provisions and performance measures recently adopted by the Public Utility Commission of Texas?

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

A. First, BellSouth believes it is totally inappropriate for this Commission to impose liquidated damages in an interconnection agreement because liquidated damages are not a requirement of Section 251 of the Telecommunications Act of 1996 (the "Act") nor are they an issue to be arbitrated under Section 252.

Second, in previous arbitration proceedings with MCI and AT&T, and more recently in its March 2, 2000 Order in the ICG Arbitration proceeding, the Commission found that, specific certification, assurance, and performance requirements are unnecessary. Specifically, the Commission stated in its March 2, 2000 Order:

> As the Commission has noted in several previous orders, BellSouth is required to provide the same quality of service to ICG as it provides to itself. There is no need to assume that BellSouth will not in good faith comply with that requirement. Thus, performance measures and enforcement mechanisms of the nature requested by ICG are not necessary. Should ICG have a basis on which to allege that poor quality of service is being delivered to its customers by BellSouth then

it should bring this matter to the Commission's attention through a complaint petition. Order at page 7.

BlueStar is asking for liquidated damages for breach of performance measurements even though the Commission has, once again, determined that performance measurements are unnecessary. The Commission has, in essence, preempted this issue by not requiring the performance measurements that liquidated damages would be based upon.

Q. NOTWITHSTANDING ITS POSITION THAT LIQUIDATED DAMAGES ARE NOT APPROPRIATE FOR ARBITRATION UNDER SECTION 252 OF THE ACT, DOES BELLSOUTH PLAN TO OFFER SELF-EFFECTUATING ENFORCEMENT MECHANISMS TO CLECS?

A. Yes. BellSouth believes that the only remedies appropriate for inclusion in an interconnection agreement are those to which the parties mutually agree. BellSouth has worked diligently with the FCC to develop a proposal for self-effectuating enforcement measures. BellSouth anticipates that the most recent proposal made to the FCC Staff will be acceptable in meeting the FCC's requirements for enforcement measures upon BellSouth's entry into the interLATA long distance market. It is vitally important that all CLECs operate under the same plan.

For this reason, it is also not appropriate to adopt performance measurements used in Texas. Working with the state commissions and CLECs, BellSouth has

developed a comprehensive set of Service Quality Measurements ("SQMs") covering nine separate categories: 1) access to OSS for pre-ordering and ordering; 2) ordering; 3) provisioning; 4) maintenance and repair; 5) billing; 6) operator services and directory assistance; 7) E911; 8) local interconnection trunk group blockage; and 9) collocation. Rather than attempting to negotiate different performance measurements in the various individual interconnection agreements for each CLEC doing business in BellSouth's region, BellSouth is committed to delivering BellSouth's SQMs equally to all CLECs.

The processes and data are available to provide the BlueStar SQMs. If the Texas measurements were adopted, new processes would have to be developed to produce those measurements. These processes would take a substantial period of time to develop which means no measurements would be available during that period. In addition, the SQMs are currently being validated through third party testing. To the extent Texas measurements differ from the SQMs, the Texas measurements are not being subjected to that testing.

The SQMs, along with the raw data provided to BlueStar, would allow BlueStar to monitor BellSouth's performance and to verify that services are being provided at parity with BellSouth and with other CLECs. Adopting another set of measurements as suggested by BlueStar in Kentucky would require replacing the current SQMs at considerable effort and expense with no apparent benefit.

Q. HAS BELLSOUTH OFFERED SQMs AND A SELF-EFFECTUATING

ENFORCEMENT MECHANISMS TO BLUESTAR?

A. BellSouth has offered to provide contract language, SQMs and an enforcement mechanism to BlueStar. However, BlueStar is not agreeable to any proposal by BellSouth that does not institute penalties immediately. It is important to note that the FCC's primary purpose in BellSouth developing an acceptable enforcement proposal is to prevent "backsliding" upon BellSouth's entry into interLATA long distance. For this reason, any such enforcement mechanism should appropriately be applicable only upon BellSouth's ability to provide interLATA long distance. The FCC supports this view based upon its discussion of enforcement mechanisms in its December 22, 1999 Order approving Bell Atlantic – New York's application to enter the interLATA long distance market, particularly its footnote 1326. In its discussion, the FCC notes that its purpose in examining performance monitoring and enforcement mechanisms is to ensure that the LEC (in this instance Bell Atlantic – New York) does not backslide on performance after obtaining interLATA approval.

BellSouth's proposal to the FCC should not be interpreted in any way as BellSouth's admission that the Commission or the FCC have the authority to impose self-executing penalties or liquidated damages without BellSouth's agreement. BellSouth has no obligation under Section 251 of the Act to include an enforcement mechanism in an interconnection agreement. The FCC recognizes this point and views BellSouth's enforcement mechanism proposal as a public interest item in BellSouth's pursuit of interLATA long distance and not as a Section 251 requirement or a requirement of the competitive checklist.

In contrast, BlueStar is requesting that BellSouth be forced to pay penalties and/or liquidated damages beginning immediately and without regard to any action by the FCC. In other words, BlueStar has taken the position that BellSouth should be made, by this Commission, to involuntarily include a liquidated damages provision in the Agreement, an action that is not provided for under the terms of the Act.

Issue 15: Should the interconnection agreement include a dispute resolution provision that would create a permanent arbitrator agreed on by the parties and serving under the auspices of the American Arbitration Association ("AAA")?

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

A. BellSouth does not believe that an alternative dispute resolution ("ADR") provision is suitable for interconnection agreements. Through experience with such provisions in other agreements, BellSouth has found that commercial arbitrators typically lack knowledge and understanding of complex telecommunications issues and are less likely to render knowledgeable, well-informed decisions. In addition, commercial arbitrators can be costly and BellSouth believes they are unnecessary, because the Commission is fully capable of handling disputes under current procedures.

The Act has now been effective for nearly four years. In that time complaints have come before the Commission for resolution and the Commission has handled them using the expertise within the Commission Staff in an

expeditious manner. It is unnecessary for the Commission to now establish a new process for handling disputes. The Commission is clearly more capable of handling disputes between telecommunications carriers than commercial arbitrators.

Q. HAS BLUESTAR ALTERED ITS POSITION ON THIS ISSUE?

A. I believe so. In Florida, BlueStar filed a petition in which it requested the same ADR process that it requested in the petition filed before this Commission. This issue was subsequently settled when BellSouth and BlueStar agreed on an Intercompany Board process for Florida. At this point, BellSouth and BlueStar have agreed to form an Intercompany Board in order to expedite resolution of disputes in both Florida and Georgia. BellSouth is agreeable to the same process in Kentucky. I do not know why BlueStar has, to date, declined to adopt this same process in Kentucky.

Issue 16: Should the interconnection agreement include a provision concerning access to riser cable in buildings that would allow BlueStar to use its digital subscriber line access multiplexer (DSLAM") as the demarcation point in the building and would allow BlueStar to cross-connect directly to the riser cable network interface device ("NID")?

Q. WHAT ASPECT OF THIS ISSUE ARE YOU ADDRESSING?

A. I address only the issue of the appropriate price for access to BellSouth's riser

cable. Mr. Milner addresses the technical aspects of Issue 16.

Q. BLUESTAR COMPLAINS IN ITS PETITION THAT BELLSOUTH HAS PROPOSED A NONRECURRING CHARGE OF $300 TO CROSS CONNECT A BLUESTAR NID TO BELLSOUTH'S RISER CABLE NID. WHAT SHOULD BE THE APPROPRIATE PRICE FOR ACCESS TO BELLSOUTH'S RISER CABLE?

A. First, I am uncertain as to the origin of BlueStar's claimed nonrecurring charge. Second, Mr. Milner describes in detail how BlueStar should obtain access to BellSouth's riser cable. Third, the FCC's UNE Remand Order does not require BellSouth to unbundle riser cable until May 17, 2000.

Because BellSouth is not required to unbundle riser cable until May 17, 2000, BellSouth does not currently have a cost study for access to riser cable. However, BellSouth does have approved rates for access to its unbundled Network Terminating Wire ("NTW") in Florida that BellSouth proposes to be used as interim surrogate rates for access to riser cable. These rates were approved by the Florida Public Service Commission in the MediaOne Arbitration case (Docket No. 990149-TP). To date, Florida is the only state in BellSouth's region that has approved a complete set of NTW rates based on a filed cost study. At such time as a cost study for riser cable can be completed, filed with the Commission and permanent rates adopted, BellSouth will true-up the interim rates back to the effective date of the new agreement between BellSouth and BlueStar.

Although there are some differences in the provision of riser cable and NTW, they are similar in concept and the NTW rates are a reasonable surrogate until the Commission adopts permanent rates. The NTW surrogate rates BellSouth proposes are as follows:

Unbundled Network Terminating Wire	**Recurring $**	**Nonrecurring $**
Unbundled NTW	.6011	
NTW Site Visit – Survey, per MDU/MTU Complex		120.10
NTW Site Visit – Setup, per Terminal		39.43 (1st) 36.42 (add'l)
NTW Access Terminal Provisioning including first 25 pair panel, per terminal		101.09 (1st) 100.25 (add'l)
NTW Existing Access Terminal Provisioning, 2nd 25 pair panel, per terminal		29.75 (1st) 28.90 (add'l)
NTW Pair Provisioning, per pair		4.48 (1st) 3.64 (add'l)
NTW Service Visit, Per Request, per MDU/MTU Complex		21.18

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

DOCs # 199690

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In Re:	)	
Petition for Arbitration of Bluestar	)	
Networks, Inc. with BellSouth	)	Case No. 99-498
Telecommunications, Inc. Pursuant	)	
To the Telecommunications Act	)	
of 1996	)	

BLUESTAR NETWORKS, INC.'S MOTION TO COMPEL AND MOTION FOR CONTINUANCE

Introduction

BellSouth Telecommunications, Inc. ("BellSouth") has refused to produce any cost studies because it argues that the Commission set rates for ADSL/HDSL-compatible loops in its prior orders and that an Amendment, executed January 27, 2000,[1] permanently resolves the issue of rates for unbundled copper loops ("UCLs") and loop conditioning rates. BellSouth's refusal to produce cost studies violates the Commission's procedural order of February 24, 2000, requiring such cost studies be produced by March 1, 2000. BellSouth's anticompetitive position will undermine consumer choice, and should be flatly rejected by the Commission. The loop rates set in 1997 were interim and have since expired and are clearly ripe for consideration in this arbitration proceeding. Moreover, the Amendment, by its express terms, provided a definition for UCLs – resolving Issue 1 of BlueStar Networks, Inc.'s ("BlueStar") Petition – and only set interim rates until rates are established in any proceeding, including this proceeding, before the Commission. In addition, statements and documents used by BellSouth to induce BlueStar to execute the Amendment, and documents sent by BellSouth to BlueStar since the Amendment

[1]BlueStar has attached a copy of the Amendment as Exhibit 1 to this Motion.

was executed, clearly demonstrate that BellSouth knows that the UCL and loop conditioning rate issues were not and are not resolved. Despite all of this evidence, BellSouth disingenuously claims that the rates issues are resolved and that it need not file any cost studies on these topics.

BlueStar's Motion to Compel and this arbitration proceeding go to the heart of telecommunications competition in the Commonwealth of Kentucky, and their outcome will have a tremendous impact on whether consumers in Kentucky will have the same opportunities to receive advanced telecommunications services as do other consumers in this country. While BlueStar seeks to broaden the availability and choices of digital subscriber line ("DSL") technology and services within Kentucky, BellSouth seeks to stymie competition and choice by freezing rates for xDSL-compatible loops at the interim rates set in 1997 and by completely distorting the plain language of the Amendment to avoid setting rates for UCLs at TELRIC-based levels. If BellSouth is successful at its anticompetitive ploy, xDSL and UCL loop rates in Kentucky will be more than **six (6) times higher** than rates for the same loops in Florida, another BellSouth state, and well above the national average. Similarly, its loop conditioning rates in Kentucky are **five (5) to six (6) times higher** then the rates contained in BellSouth's recent costs studies filed in North Carolina and Georgia. The result will be that as the rest of the nation moves forward in the 21st Century with access to the most advanced telecommunications service, Kentucky's consumers will be left behind in the 20th Century. The Kentucky Public Service Commission must not let BellSouth leave the Commonwealth behind. It needs to consider UCL and loop conditioning rates in this arbitration proceeding and it needs to take a fresh look at ADSL/HDSL-compatible loops in light of the huge disparity between the rates in Kentucky and other states.

BlueStar also requests that the Commission set the following procedural dates for this proceeding: (1) BellSouth to file cost studies by April 1, 2000; (2) direct testimony due April 15, 2000; (3) rebuttal testimony due May 1, 2000; and the hearing to be conducted May 15, 2000. This continuance will allow sufficient time for BellSouth to file its costs studies and for BlueStar to review them. Moreover, without this continuance, the Commission will be denied an opportunity to fully consider current, relevant information in setting the appropriate TELRIC-based rates for ADSL/HDSL-compatible loops, UCLs, and loop conditioning. As a result of the continuance in the proceeding, BlueStar would agree to extend the statutory deadline for a Commission decision to June 12, 2000. The continuance is made necessary not only by BellSouth's violation of the Commission's February 24 Order, but also by the unavailability of BlueStar's expert witness on rates. This witness was committed to another proceeding when the Commission's Order of February 24 was released (received by BlueStar on February 28).

If the Commission does not want to grant a continuance, BlueStar, in the alternative, proposes that the Commission (1) set the interim nonrecurring charge for ADSL/HDSL-compatible loops and UCLs at $113, the rate established by the Florida Commission, and the interim rate for loop conditioning at $71, all subject to true up, and (2) open a generic cost docket to set final rates for ADSL/HDSL-compatible loops, UCLs and loop conditioning.

Background

1. After months of negotiations with BellSouth on the issues of loop length and loop rates, BlueStar filed its Petition for Arbitration on December 7, 1999.

2. On December 28, 1999, the parties executed an Interconnection Agreement ("Agreement") for the states of Florida, Georgia, Kentucky and Tennessee. While the Agreement addresses many issues of importance between the parties, it did not resolve the issues

contained in BlueStar's Petition. Two of the issues in the Petition were the definition of UCLs to include loop lengths greater than 18,000 feet and the rates for UCLs, including loop conditioning rates.

3. At the Issues Identification Conference held in the BlueStar/BellSouth Florida arbitration proceeding on January 10, 2000, BellSouth agreed that it would provide UCLs greater than 18,000 feet. In fact, it agreed that Issue 1 – the UCL definition – was resolved. The parties specifically stated that they had not resolved the Issues concerning UCLs and loop conditioning rates.

4. BlueStar began signing up a number of customers for its DSL services in Louisville, among other cities, who it turned out, could only be served by UCLs longer than 18,000 feet. BlueStar requested long UCLs for these customers, but BellSouth repeatedly refused to provision these orders. BellSouth insisted that BlueStar execute an amendment to the Agreement addressing the long UCLs before it would provision these loops. BlueStar began losing customers because it could not obtain these UCLs.

5. BlueStar requested language for an amendment. BellSouth sent language, which BlueStar revised. BlueStar made clear to BellSouth that it did not find the proposed rates for UCLs or loop conditioning acceptable. In an email dated January 11, 2000, from Susan Arrington, BellSouth's Manager – Interconnection Services/Pricing, to Norton Cutler, BlueStar's General Counsel (Exhibit 2), Ms. Arrington described the Amendment as addressing the status of Issue 1, the UCL definition:

> **BellSouth's Proposed Contract Language (Issue 1)**
>
> Amendment proposed to BlueStar with revised UCL definition language. BlueStar to review and provide comments.

Consistent with the disagreements discussed at the Florida Issues Identification Conference, nowhere in her email does she mention Issue 10[2] – UCLs and loop conditioning rates.

6. By January 26, 2000, BlueStar still had not received a final version of the Amendment. Mr. Cutler indicated in an email to Ms. Arrington that same day that BlueStar was signing and faxing a proposed copy of the UCL Amendment, even though it lacked BlueStar's name, because BlueStar was in a desperate situation. As Mr. Cutler stated,

> It is imperative that we process this ASAP because BellSouth is cancelling increasing numbers of orders for length. BlueStar has been requesting a copy of the amendment with BlueStar's name for almost two weeks and patience is wearing thin. BellSouth's refusal to honor these orders without an amendment that BellSouth has refused to supply borders on bad faith. (Exhibit 4)[3]

Citing BellSouth's testimony of January 25, 2000, Mr. Cutler also noted that the "there is very little between our positions." When Mr. Cutler finally received an allegedly conforming Amendment, he signed it.

7. Late in the afternoon of February 1, 2000, Mr. Phillip Carver, BellSouth's General Attorney, indicated for the first time, during a telephone call that BellSouth believed that the rate chart attached to the Amendment resolved Issues concerning UCLs and loop conditioning rates in the Florida proceeding and consequently that BellSouth would not produce the requested UCL cost study. BlueStar informed Mr. Carver that it did not consider these issues resolved. The next day, BlueStar met with BellSouth and explained its view of the Amendment.

---

[2] Attached as Exhibit 3 is a list of the Florida Issues. The Florida Public Service Commission slightly modified the Issues list with the result that rates, which are Issue 11 in BlueStar's Petition, became Issue 10 in the Florida proceeding. In addition, Florida broke the rates issue into subparts – with Issues 10a and 10b addressing the rates for ADSL and HDSL-compatible loops and Issues 10c and 10d addressing rates for UCLs and loop conditioning.

[3] In her response, Ms. Arrington denied that BellSouth was acting in bad faith and indicated that she would send a revised Amendment.

During ensuing discussions, the parties discussed a compromise rate and agreed that the rates in the Amendment did not resolve the issues. Indeed, BellSouth relented and produced a UCL study. This action supported BlueStar's belief that BellSouth agreed that the UCL and loop conditioning rates were not resolved. At no time during that meeting did BellSouth claim that the Amendment was binding on these issues.

8. A week of discussions and proposals concerning the compromise rate followed with BellSouth ultimately refusing to agree. Again, there was no indication of BellSouth's position that the Amendment contained a binding price. To the contrary, BellSouth made clear that Issues 10c and 10d (UCL and loop conditioning pricing) were not resolved in this proceeding in a letter from Ms. Arrington to Mr. Cutler dated February 4, 2000. As Ms. Arrington stated,

> With respect to Issue 10, I will have a proposal for BlueStar on the UCL and Loop Conditioning rates on Monday, February 7, 2000. (Exhibit 5)

In the attachment to this letter, which contained "Agreed to Language," BellSouth described Issue 1 as follows:

> The Amendment dated January 27, 2000, between BellSouth Telecommunications, Inc. and BlueStar Networks, Inc. resolves this issue.

BellSouth listed a number of other issues as resolved; it never mentioned Issue 10 – loop rates and loop conditioning rates. BlueStar also sent BellSouth a letter dated February 2, 2000 setting forth its position on the Amendment.

9. On February 11, 2000, Ms. Arrington sent Mr. Cutler an email stating that the "remaining outstanding issues are: 3, 4, 10, 15 and 16[.]" (Exhibit 6) The attached proposed stipulation was even clearer:

1. Pursuant to the attached Amendment dated February __, 2000 between the Parties, the Parties have resolved Issues 5, 6a, 7, 9, and only in Florida, 10a and 10b.

2. All other issues not resolved by the Parties remain pending in this proceeding.

10. Finally, to settle the Florida arbitration, BlueStar and BellSouth entered into a series of Stipulations and Amendments. The one dated February 28, 2000 stated that the parties had resolved certain issues in all four arbitrations – Florida, Georgia, Kentucky and Tennessee – and that Issues 10a and 10b (ADSL and HDSL-compatible loop rates), by contrast, had been resolved in Florida only (Exhibit 7) The Stipulation and Amendment that settled the last issues in the Florida proceeding – UCLs and loop conditioning rates – also was for Florida only: "The Parties have resolved Issues 10c and 10d in Florida only pursuant to the Amendment of March 1, 2000, a copy of which is attached hereto." (Exhibit 8) That Stipulation and Amendment was signed on the same day as BellSouth sent its letter to the Kentucky Public Service Commission alleging that UCLs rates are resolved by the January 27, 2000 Amendment. For BellSouth to file a document with one state commission stating that issues are not resolved, and to file a document the same day with another state commission alleging that the same issues are resolved demonstrates BellSouth's surprising lack of candor toward the Commission.

Argument

I. BellSouth's Argument Intentionally Ignores the Plain Meaning of the Amendment and Conflicts with BellSouth's Own Statements that UCL Rates Remain in this Proceeding.

11. On March, 1, 2000, BellSouth refused to file a cost study claiming that rates for UCLs and loop conditioning are no longer at issue in the proceeding because BellSouth and BlueStar agreed to rates in the January 27, 2000 Amendment.

12. BellSouth knows that this statement is entirely false. The Amendment expressly states that the "Parties agree that the prices reflected herein shall be 'trued-up' (up or down) based on final prices either determined by further agreement or by final order, including any appeals, in a proceeding involving BellSouth before the regulatory authority for the state in which the services are being performed or any other body having jurisdiction over this agreement, including the FCC." (emphasis added). The language makes no mention of removing the UCL and loop conditioning rates issues from this arbitration proceeding. Nor does the Amendment purport to prevent this Commission from setting a different rate. To the contrary, the Amendment specifies that the rates are subject to change in any "proceeding involving BellSouth" – no limitations.

13. As discussed above, BellSouth on at least four occasions since the Amendment was signed has stated in writing that UCL rates and loop conditioning are still at issue. BlueStar has never stated or even hinted that it considered these issues resolved in this arbitration proceeding. Thus, despite all this evidence, BellSouth has the audacity to claim that these issues are resolved. BellSouth's argument is particularly baseless and egregious because BellSouth fully knows that there currently is no other pending proceeding in Kentucky to address these rate issues. BlueStar is left with only one conclusion: Either BellSouth has been misleading BlueStar with its correspondence and in its negotiations or BellSouth is misleading the Commission.

14. Finally, even if the Commission concludes that BlueStar somehow entered into an agreement foreclosing further litigation on the subject of UCL rates and loop conditioning without understanding that it had entered into such an agreement, the Commission can still disapprove the agreement based on the public interest standard. BlueStar believes that the Amendment, if BellSouth's argument stands, effectively will have been procured by fraud. If

BellSouth intended that the Amendment precluded further litigation of this issue in Kentucky, it had an obligation to clearly point that out and the agreement does not even come close to stating that point either obliquely or clearly. Indeed, the Amendment states the opposite. Thus, BellSouth's argument is the plainest form of legal trick. Moreover, the rates for both loop conditioning and UCLs exceed current BellSouth cost studies and the national average for these functions by a considerable margin. In the recently settled Florida arbitration between Bluestar and BellSouth, the cost studies filed there claimed that UCLs had a nonrecurring cost of $326 and loop conditioning below 18,000 kft. cost $71. The parties settled on a $113 interim loop rate in Florida. The national average for these UNEs is near $100 or below. The public interest dictates that this Commission cannot simply refuse to examine these issues in a hearing with cost studies, when there exists such wide disparities between the allegedly agreed to rates and national averages.

II. The Comission Should Reopen The Issue of ADSL Compatible Rates And Require That BellSouth File A Cost Study.

15. Not only does BellSouth want to avoid litigating the UCL nonrecurring charges and loop conditioning rates, it claims that this Commission set the rate for ADSL and HDSL-compatible loops once and for all in 1997. This accords with BellSouth's consistent strategy in the four arbitrations that BlueStar filed on Dec. 7, 1999 – never allow the parties to explore evidence so that the Commission might determine the facts. BellSouth instead uses every procedural argument to avoid a decision on the merits.

16. BlueStar is at a loss to understand how a decision rendered by the Commission in 1997 without Bluestar as a party can bind BlueStar now. The Commission did not express that finding in its decision. Indeed the decision in the MCI arbitration on nonrecurring charges made

clear that the parties considered those rates interim and that the issue could be revisited at end of the MCI contract, which as to rates expired in 1999.

> [B]y the terms of the agreement [between BellSouth and MCI] all rates are to remain in effect for two years. The Commission approves the extended length of the contract and all other negotiated changes contained therein. The Commission has held that its prices are cost based and that they are appropriate prices to be charged. Nevertheless, the parties have designated the prices as "interim" in nature. The parties may renegotiate prior to the end of the contract, but the Commission will not arbitrate these prices during the specified term of their duration without a material change in circumstance.[4]

Four days later the Commission issued another order noting the interim nature of the rates:

> [T]he rates are temporary in the sense that the contract itself is of finite duration. Renegotiation may take place at any time. The Commission will not arbitrate prices during the term of the agreements absent a material change in circumstances.[5]

17. Regardless the Commission should consider the nationwide average nonrecurring rates and BellSouth's rates in other states for ADSL and HDSL-compatible loops before concluding that it does not want to reexamine this issue. First, in Florida the Florida Commission ruled in 1998 that the nonrecurring rate for ADSL compatible loops should be $113. The disparity between this rate and the $713 rate in Kentucky alone should persuade the Commission to ask BellSouth for a fresh cost study and allow discovery and review of that study. The nationwide average nonrecurring charge for ADSL compatible loops is near $100 or below and Texas has a rate of $15.

18. The current $713 rate also creates a large barrier to entry for potential providers of advanced services in Kentucky. BlueStar currently has approximately 250 customers in

[4] Petition by MCI for Arbitration of Certain Terms and Conditions of a Proposed Agreement with BellSouth Telecommunications Inc. Concerning Interconnection and Resale Under the Telecommunications Act of 1996, et al., Case Nos. 96-431 and 96-482, Order at 1-2 (Aug. 21, 1997).

Kentucky and more than 20 planned collocations in BellSouth and GTE central offices. BlueStar has employed approximately 20 sales and installation personnel in Kentucky and hopes to serve approximately 800 customers by the end of the year. If BlueStar must continue to pay BellSouth more than $700 just to have an ADSL-compatible line installed, there will be a significant disincentive to sell to additional customers in Kentucky. BlueStar may well have to direct its expansion efforts toward states like Florida, which have much lower rates. If only to stimulate competition and expand the availability of advanced services, this Commission should have another look at ADSL and HDSL-compatible loop nonrecurring charges.

19. Finally, BellSouth is currently engaged in an anticompetitive price squeeze with its nonrecurring charge for ADSL/HDSL-compatible loops and UCLs. BlueStar and other providers of broadband access must buy these loops in order to offer DSL services to customers. BellSouth however competes with BlueStar by providing a product which rides over the high frequency portion of a voice loop. While BellSouth is currently engaged in FCC-mandated negotiations to provide these same frequencies to BlueStar, it does not offer these loops at the present time. BellSouth only charges itself a nonrecurring charge of approximately $100 when it offers service to a customer using the high frequency portion of the loop. This classic price squeeze allows BellSouth to compete unfairly against BlueStar by selling low at retail (it even waives the nonrecurring charge) while offering the equivalent service at a very high wholesale price of more than $700. Indeed, BellSouth engages in a number of other anticompetitive practices summarized in a complaint filed by Iglou, an ISP. See Iglou Internet Service, Inc. v. BellSouthTelecommunications, Inc. KPSC Case 99-484.

[5] Petition by MCI for Arbitration of Certain Terms and Conditions of a Proposed Agreement with BellSouth Telecommunications Inc. Concerning Interconnection and Resale Under the Telecommunications Act of 1996, et al., Case Nos. 96-431 and 96-482, Order at 4 (Aug. 25, 1997).

III. The Commission Should Order a Two-Month Continuance So That BellSouth Can File and BlueStar and the Commission Can Review Cost Studies.

21. BellSouth's refusal to produce the cost studies by March 1 as required in the Commission's Order makes not only this motion to compel, but also this motion for continuance necessary. The unavailability of BlueStar's rate expert witness on March 15 also necessitates a continuance. BellSouth's current Kentucky loop rates and conditioning rates are substantially higher than rates in other BellSouth states and nationwide. BlueStar has challenged these rates and needs access to cost studies to understand the basis for these disparities. Similarly, for the Commission to render a reasoned decision in this proceeding, it needs the opportunity to review and analyze such cost studies. BlueStar, therefore, requests that the dates in this proceeding be pushed back two months, with direct testimony due on April 15, 2000 and the hearing conducted on May 15, 2000. This continuance would allow sufficient time for BellSouth to file cost studies and for BlueStar and the Commission to review them to properly address the rate issues in this proceeding. As a result of the continuance in the proceeding, BlueStar would agree to extend the statutory deadline for a Commission decision to June 12, 2000.

If the Commission chooses not to grant a continuance, BlueStar, in the alternative, requests that the Commission (1) set an interim nonrecurring charge of $113 for ADSL/HDSL-compatible loops and UCLs and $71 for loop conditioning, and (2) open a generic cost docket to set final rates for ADSL/HDSL-compatible loops, UCLs and loop conditioning.

WHEREFORE, the Commission should

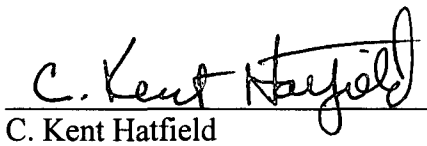
(1) Order BellSouth to produce cost studies for ADSL and HDSL-compatible loops, unbundled copper loops, and loop conditioning costs for these loops;

(2) Grant a two-month continuance in this proceeding, with cost studies due by April 1, 2000; direct testimony due April 15, 2000; rebuttal testimony due May 1, 2000 and the hearing conducted on May 15, 2000 (with an extension of the statutory deadline for a Commission decision to June 12, 2000); or, in the alternative, (a) set an interim nonrecurring charge of $113 for ADSL/HDSL-compatible loops and UCLs and $71 for loop conditioning, all subject to true up, and (b) open a generic cost docket to set final rates for ADSL/HDSL-compatible loops, UCLs and loop conditioning;

(3) Set a discovery schedule; and

(4) Grant such other relief as it deems necessary and appropriate.

Respectfully submitted,



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COUNSEL FOR BLUESTAR NETWORKS, INC.

CERTIFICATE OF SERVICE

A copy of the foregoing was served this 7th day of March, 2000, by first class, United States mail, postage prepaid, upon all parties of record.

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AMENDMENT
TO THE
AGREEMENT BETWEEN
BLUESTAR NETWORKS, INC.
AND
BELLSOUTH TELECOMMUNICATIONS, INC.
DATED DECEMBER 28, 1999
(Florida, Georgia, Kentucky and Tennessee)

Pursuant to this Agreement, (the "Amendment"), Bluestar Networks, Inc. ("Bluestar"), and BellSouth Telecommunications, Inc. ("BellSouth"), hereinafter referred to individually as a "Party" and collectively as the "Parties," hereby agree to amend that certain Interconnection Agreement between the Parties dated December 28, 1999 (the "Interconnection Agreement").

WHEREAS, BellSouth and Bluestar entered into an Interconnection Agreement on December 28, 1999 and;

NOW THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

1. The Interconnection Agreement entered into between Bluestar and BellSouth is hereby amended to delete Sections 2.1.2, 2.1.3 – 2.1.3.7 of Attachment 2 in its entirety and replace it with new Section 2.1.2 of Attachment 2 which is attached hereto as Exhibit A.

2. This Amendment shall have an effective date of January 27, 2000.

3. All of the other provisions of the Agreement, dated December 28, 1999, shall remain in full force and effect.

4. Either or both of the Parties may submit this Amendment to the appropriate Commission for approval subject to Section 252(e) of the Federal Telecommunications Act of 1996.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed by their respective duly authorized representatives on the date indicated below.

Bluestar Networks, Inc.

By: _____

Name: Norton Cutler

Title: General Counsel

Date: 1-27-2000

BellSouth Telecommunications, Inc.

By: _____

Name: Jerry Hendrix

Title: Senior Director

Date: 1-27-00

EXHIBIT A

2.1.2 Technical Requirements

2.1.2.1 BellSouth will offer loops capable of supporting telecommunications services such as: POTS, Centrex, basic rate ISDN, analog PBX, voice grade private line, 2 and 4 wire xDSL, and digital data (up to 64 kb/s). Additional services may include digital PBXs, primary rate ISDN, Nx 64 kb/s, and DS1/DS3 and SONET private lines.

2.1.2.2 Digital Subscriber Line ("xDSL") Capable Loops. XDSL capable loops describe loops that may support various technologies and services. The "x" in xDSL is a placeholder for the various types of digital subscriber line services. An xDSL loop is a plain twisted pair copper loop. BellSouth will offer xDSL capable loops according to industry standards for CSA design loops (ADSL/HDSL) and resistance design loops (UCL). To the extent that these loops exist within the BellSouth network at a particular location, they will be provisioned without intervening devices, including but not limited to load coils, repeaters (unless so requested by Bluestar), or digital access main lines ("DAMLs"). These loops may contain bridged tap in accordance with the respective industry standards (CSA design loops may have up to 2,500 feet total (all bridged taps) and up to 2,000 feet for a single bridged tap; resistance design loops may have up to 6,000 ft). At Bluestar's request, BellSouth will provide Bluestar with xDSL loops other than those listed above, so long as Bluestar is willing to pay the loop conditioning costs needed to remove the above listed equipment and/or bridge taps from the loops. Any copper loop longer than 18kft requested by Bluestar through the loop conditioning process will be ordered, billed, and inventoried as UCLs. Loop conditioning costs will be charged in addition to the loop itself on any of the loops described in this section 2.1.2.2, Bluestar may provide any service that it chooses so long as such service is in compliance with FCC regulations and BellSouth's TR73600.

2.1.2.3 The loop will support the transmission, signaling, performance and interface requirements of the services described in 2.1.2.1 above. The foregoing sentence notwithstanding, in instances where BellSouth provides Bluestar with an xDSL loop that is over 12,000 feet in length, BellSouth will not be expected to maintain and repair the loop to the standards specified in the TR73600 and other standards referenced in this Agreement; provided, however, that for all loops (xDSL or otherwise) ordered by Bluestar, BellSouth agrees to maintain electrical continuity and to provide balance relative to tip and ring.

2.1.2.4 In instances where Bluestar requests BellSouth to provide Bluestar with an xDSL loop to a particular end-user premises and (I) there is no such facility (including

without limitation spare copper) available, and (ii) there is a loop available that would meet the definition of an xDSL loop if it were conditioned consistent with the FCC's rules promulgated pursuant to the UNE Remand Order, FCC 99-238 (adopted Sept. 15, 1999) (*i.e.*, FCC Rule 51.319(a)(3)) (hereinafter "Conditioning Rules"), BellSouth shall offer such loop to Bluestar and shall offer to condition such loop consistent with the Conditioning Rules. In those cases where Bluestar requests that BellSouth remove equipment from a loop longer than 18kft, and this equipment is required to provide normal voice services, Bluestar agrees to pay a re-conditioning charge in order to bring the loop back up to its original specifications.

2.1.2.5 The Parties agree that such conditioning charges shall be interim and subject to true-up (up or down), pending the determination by the relevant Commission of conditioning charges. The Parties further agree that, if and when a Commission (in a final order not stayed) orders or otherwise adopts conditioning charges, they shall amend this Agreement to reflect said charges. If the Parties are unable to reach agreement on such an amendment, either Party may petition the appropriate Commission for relief pursuant to the dispute resolution procedures described in the General Terms and Conditions – Part A of this Agreement.

2.1.2.6 In those cases where Bluestar has requested that BellSouth remove equipment from the BellSouth loop, BellSouth will not be expected to maintain and repair the loop to the standards specified for that loop type in the TR73600 and other standards referenced in this Agreement.

2.1.2.7 In addition, Bluestar recognizes that there may be instances where a loop modified pursuant to this subsection 2.1.2.5 may be subjected to normal network configuration changes that may cause the circuit characteristics to be changed and may create an outage of the service that Bluestar has placed on the loop (e.g., a copper voice loop is modified by the removal of load coils so that Bluestar may attempt to provide xDSL service. BellSouth's records may still reflect that the loop is a voice circuit. BellSouth performs a network efficiency job and rolls the loop to a DLC. The original voice loop would not have been impacted by this move but the xDSL loop will likely not support xDSL service). If this occurs, BellSouth will work cooperatively with Bluestar to restore the circuit to its previous xDSL capable status as quickly as possible.

2.1.2.8 The following rates, as subject to true-up, will apply:

2-Wire Unbundled Copper Loop (18kft or less)

	AL*	FL	GA*	KY*	LA	MS*	NC	SC*	TN**
Recurring	$15.11	$18.00	$13.05	$11.89	$21.00	$14.83	$19.00	$20.81	$18.00
Non-Recurring									
Non-Recurring 1st	$514.21	$340.00	$359.00	$713.50	$340.00	$504.82	$450.00	$600.61	$450.00
Non-Recurring Add'l	$464.58	$300.00	$325.15	$609.44	$300.00	$456.24	$390.00	$507.33	$325.00
Manual Svc Ord -1st	$47.00	$47.00	$18.94	$47.00	$18.14	$25.52	$47.00	$25.52	
Manual Svc Ord -Adl	$21.00	$21.00	$8.42	$21.00	$8.06	$11.34	$21.00	$47.00	
Manual Svc Ord -Dis	$17.77			$17.77	$11.41	$16.06		$21.00	
Order Coordination	$16.00	$16.00	$34.22	NA	$32.77	$45.27	$16.00	$45.43	$45.00
Disconnect 1st					$72.54	$105.86			
Disconnect Addl					$39.42	$57.25			

*Same as ADSL loop rate

** ADSL rates not yet set

Loop Conditioning									
Remove Equip < 18ft									
First Install	$485	$485	$485	$485	$485	$485	$485	$485	$485
Addl Install	$25	$25	$25	$25	$25	$25	$25	$25	$25
Remove Equip > 18ft									
First Install	$775	$775	$775	$775	$775	$775	$775	$775	$775
Addl Install	$25	$25	$25	$25	$25	$25	$25	$25	$25
First Disconnect	$775	$775	$775	$775	$775	$775	$775	$775	$775
Addl Disconnect	$25	$25	$25	$25	$25	$25	$25	$25	$25
Remove Bridge Tap all									
First Install	$485	$485	$485	$485	$485	$485	$485	$485	$485
Addl Install	$20	$20	$20	$20	$20	$20	$20	$20	$20

The UCL Rates listed above may be used for UCLs longer than 18kft until we are able to perform a cost study on long UCLs (18kft).

The Loop Conditioning charges would apply in addition to the UCL NRCs.

All the rates listed above would be subject to true-up once final cost numbers are determined.

The Parties agree that the prices reflected herein shall be "trued-up" (up or down) based on final prices either determined by further agreement or by final order, including any appeals, in a proceeding involving BellSouth before the regulatory authority for the state in which the services are being performed or any other body having jurisdiction over this agreement, including the FCC. Under the "true-up" process, the price for each service shall be multiplied by the volume of that service purchased to arrive at the total interim amount paid for that service ("Total Interim Price"). The final price for that service shall be multiplied by the volume purchased to arrive at the total final amount due ("Total Final Price"). The Total Interim Price shall be compared with the Total Final Price. If the Total Final Price is more than the Total Interim Price, Bluestar shall pay the difference to BellSouth. If the Total Final Price is less than the Total Interim Price, BellSouth shall pay the difference to Bluestar. Each party shall keep its own records upon which a "true-up" can be based and any final payment from one party to the other shall be in an amount agreed upon by the Parties based on such records. In the event of any disagreement as between the records or the Parties regarding the amount of such "true-up," the Parties agree that such differences shall be resolved through arbitration.

Subject: bellsouth's proposed language to bluestar
Date: Tue, 11 Jan 2000 06:56:52 -0600
From: Susan.M.Arrington@bridge.bellsouth.com
To: norton.cutler@bluestar.net

Norton,

I'm sorry Ive have a lot of trouble sending you this language.

Susan

PROPLANG.DOC	**Name:** PROPLANG.DOC **Type:** Microsoft Word Document (application/msword) **Encoding:** base64

BlueStar Networks, Inc.

BellSouth's Proposed Contract Language (Issue 1)

Amendment proposed to BlueStar with revised UCL definition language. BlueStar to review and provide comments.

BellSouth's Proposed Contract Language: (Issue 5)

BellSouth is currently developing and will make available to BlueStar as an interim process until the loop qualification interface is available, a process whereby xDSL loop orders that are rejected by BellSouth will be automatically converted to orders for UCLs without requiring BlueStar to resubmit the order. This interim process is expected to be available to BlueStar by the end of January 2000.

BellSouth's Proposed Contract Language: (Issue 8)

Attachment 2

2.1.7 Where facilities are available, BellSouth will install loops within a 5-7 business day interval. For orders of 14 or more loops, the installation will be handled on a project basis and the intervals will be set by the BellSouth project manager for that order. Some loops require a Service Inquiry (SI) to determine if facilities are available prior to issuing the order. **BellSouth will use best efforts to respond to the service inquiry within 3-5 business day period.** The interval for SI process is separate from the installation interval. For expedite requests by BlueStar, expedite charges will apply for intervals less than 5 days. The charges outlined in BellSouth's FCC #1 Tariff, Section 5.1.1 will apply. If BlueStar cancels an order for network elements and other services, any costs incurred by BellSouth in conjunction with the provisioning of that order will be recovered in accordance with FCC #1 Tariff, Section. 5.4.

BellSouth's Proposed Language (Issue 7)

BellSouth will provide BlueStar with access to the same loop qualification information that is available to BellSouth for its retail customers, in accordance with the FCC's UNE Remand Order within the timeframe provided for by that Order. The Order requires ILECs to provide access to this information to CLECs within 120 days after the Order is published in the Federal Registry.

APPENDIX A

TENTATIVE LIST OF ISSUES

ISSUE 1: How should an unbundled copper loop ("UCL") be defined?

RESOLVED

ISSUE 2: Should BellSouth be required to:

a) conduct a trial of line sharing with BlueStar, and if so, when?

b) conduct a trial of electronic ordering and provisioning of line sharing with BlueStar, and if so, when?

ISSUE 3: What information should BellSouth be required to provide to BlueStar on loop orders that are rejected because the requested facilities are unavailable?

ISSUE 4: When should the information identified in Issue 3 be provided?

ISSUE 5: Should BellSouth be required to implement a process whereby xDSL loop orders that are rejected are automatically converted to orders for UCLs without requiring BlueStar to resubmit the order?

ISSUE 6: For xDSL orders, should BellSouth be required to provide real time access to the following, and if so, when?

a) OSS for loop makeup information qualification;
b) preordering;
c) provisioning;
d) repair/maintenance, and
e) billing.

ISSUE 7: Should the interconnection agreement include a time interval for BellSouth provisioning of xDSL loops and UCLs?

ISSUE 8: Can xDSL loops retain repeaters at the ALEC's option?

RESOLVED

ISSUE 9: Should the interconnection agreement include expedited procedures for repairs?

ISSUE 10: What are the TELRIC-based rates for the following:

a) 2-wire ADSL compatible loops, both recurring and nonrecurring;
b) 2-wire HDSL compatible loops, both recurring and nonrecurring;
c) "UCL" loops, both recurring and nonrecurring;
d) loop conditioning for each of the loops listed above, as well as the 4-wire HDSL loop.

ISSUE 11: What are the TELRIC-based recurring and nonrecurring rates for the high frequency portion of a shared loop?

ISSUE 12: For purposes of reciprocal compensation, should the parties be required to adopt bill and keep for transport and termination of local, intraLATA and interLATA voice traffic?

RESOLVED

ISSUE 13: What, if any, provisions should the agreement include for performance measures?

RESOLVED

ISSUE 14: (The parties could not agree upon the wording of this issue, and the matter is to be determined at a later date by the Prehearing officer.)

BlueStar's proposed issue:

Should the interconnection agreement include the liquidated damages provisions filed by BellSouth in Tennessee in Docket Nos. 99430 and 99377 as Exhibit No. AJV-1 which relate to BellSouth's Service Quality Measurements (SQMs)?

BellSouth's proposed issue:

What, if any, provisions should the agreement include for liquidated damages?

ISSUE 15: What, if any, provisions should the agreement include for alternative dispute resolution?

ISSUE 16: What is the appropriate method for BlueStar to gain access to BellSouth's riser cables, allowing BlueStar to provision its digital subscriber line access multiplexer (DSLAM)?

Subject: UCL Amendment And Further Negotiations
Date: Wed, 26 Jan 2000 15:50:07 -0600
From: Norton Cutler <norton.cutler@bluestar.net>
To: BellSouth <susan.m.arrington@bridge.bellsouth.com>,
Carty Hassett <carty.hassett@bluestar.net>,
BellSouth <Michael.D.Wilburn@bridge.bellsouth.com>

I am faxing you a signed copy of the proposed UCL amendment now, but we will need to conform it to type in Bluestar's name. It is imperative that we process this asap because BellSouth is cancelling increasing numbers of orders for length. Bluestar has been requesting a copy of the amendment with Bluestar's name for almost two weeks and patience is wearing thin. BellSouth's refusal to honor these orders without an amendment that BellSouth has refused to supply borders on bad faith.

We also need to have a meeting on the remaining issues ASAP. Bluestar has requested that the Tennessee Commission conduct the mediation that it suggested. The answer to the arbitration and the testimony filed on 1/25 in Florida prove that there is very little between our positions. Refusing to meet to narrow this gap again borders on bad faith.

Bluestar is ready to resolve all the issues let's not wait any longer to try.

BELLSOUTH

BellSouth Abs

BellSouth Interconnection Services
675 West Peachtree Street, NW
Room 34S91
Atlanta, Georgia 30375

Susan Arrington
404-927-7513
Fax #: 404-529-7839

February 4, 2000

Mr. Norton Cutler
BlueStar Networks, Inc.
401 Church Street
24th Floor
Nashville, TN 37219

Dear Norton:

This letter will confirm the tentative agreement that we reached during our meeting on Wednesday, February 2, 2000, on the remaining arbitration issues. It is my understanding that we have resolved Issues 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12 and 13. Issue 14 has been resolved for the state of Florida and Issue 15 is resolved for the state of Georgia.

To date, the parties have agreed to language and/or alternative solutions for Issues 1, 2, 5, 6 b,c,d and e, 7, 8 11, 12 and 13. I am working on revised language for Issues 3, 4, 6a, and 9, some of which is attached hereto.

With respect to Issue 10, please confirm for me if Issue 10a and 10b relative to the rates for ADSL and HDSL are still an issue in BlueStar" arbitration. Since we did not discuss these rates in our meeting on Wednesday, February 2, BellSouth believes 10a and 10b to be resolved. If this is not correct, please let me know. I will have a proposal for BlueStar on the UCL and Loop Conditioning rates on Monday, February 7, 2000.

Attached hereto is the agreed upon language and additional proposed language. If BlueStar agrees with the attached language, an amendment will prepared to incorporated the agreed upon language into BlueStar's agreements, once a Stipulation is filed with the appropriate regulatory authority to remove the agreed upon issues from arbitration.

The attached riser cable language is a new proposal from BellSouth. I understand that BlueStar would like to include language that allows BlueStar to connect its own cross-connect. I will confirm on Monday that this language can be included in the proposed language. I am also waiting on the riser cable rates, which I will forward to BlueStar as soon as they are available.

If you have any questions, please call me at (404) 927-7513.

Sincerely,

Susan Arrington
Manager - Interconnection Services/Pricing

Agreed to Language between
BlueStar Networks, Inc. and BellSouth Telecommunications, Inc.

Issue 1: The Amendment dated January 27, 2000, between BellSouth Telecommunications, Inc. and BlueStar Networks, Inc. resolves this issue.

Issue 2: BlueStar believes this issue is being adequately addressed via the Cooperative Line Sharing negotiations between BellSouth and a group of CLECs.

Issue 3: BellSouth to proposes the following language to resolve this issue:

BellSouth shall provide BlueStar with non-discriminatory access to the loop qualification information that is available to BellSouth, so that BlueStar can make an independent judgment about whether the loop is capable of supporting the advanced services equipment that BlueStar intends to install. Loop qualification information is defined as information, such as the composition of the loop material, including but not limited to: fiber optics or copper, the existence, location and type of any electronic and other equipment on the loop, including but not limited to, digital loop carrier or other remote concentration devices, feeder/distribution interfaces, bridge taps, load coils, pair-gain devices, disturbers in the same or adjacent binder groups; the loop length, including the length and location of each type of transmission media; the wire gauge(s) of the loop; and the electrical parameters of the loop, which may determine the suitability of the loop for various technologies.

BellSouth shall make such information available to BlueStar within 120 days after the FCC's UNE Remand Order is published in the Federal Register.

Issue 4: Same as Issue 3.

Issue 5: BellSouth proposed the following language, which resolves this issue:

BellSouth is currently developing and will make available to BlueStar as an interim process until the loop qualification interface is available, a process whereby xDSL loop orders that are rejected by BellSouth will be automatically converted to orders for UCLs without requiring BlueStar to resubmit the order. This interim

process is expected to be available to BlueStar by the end of January 2000.

Issue 6a — Same as Issue 3.

Issue 6b
Issue 6c
Issue 6e
Issue 6f — BellSouth's proposed timeframe by which such interface would be available was acceptable to BlueStar. Intefaces for xDSL will be available between March 2000 and May 2000.

Issue 7 — BellSouth proposed the following language that resolves this issue:

2.1.7 Where facilities are available, BellSouth will install loops within a 5-7 business day interval. For orders of 14 or more loops, the installation will be handled on a project basis and the intervals will be set by the BellSouth project manager for that order. Some loops require a Service Inquiry (SI) to determine if facilities are available prior to issuing the order. **BellSouth will use best efforts to respond to the service inquiry within 3-5 business day period.** The interval for SI process is separate from the installation interval. For expedite requests by BlueStar, expedite charges will apply for intervals less than 5 days. The charges outlined in BellSouth's FCC #1 Tariff, Section 5.1.1 will apply. If BlueStar cancels an order for network elements and other services, any costs incurred by BellSouth in conjunction with the provisioning of that order will be recovered in accordance with FCC #1 Tariff, Section. 5.4.

Issue 8 — The Amendment language proposed for Issue 1 resolves this issue.

Issue 9 — This issue may be resolved pending BlueStar's review of BellSouth's Operational Understanding agreement.

Issue 11 — BlueStar believes that this issue will be addressed via the Cooperative Line Sharing negotiations between BellSouth and a group of CLECs.

Issue 12 — This issue has been resolved by the Parties. BlueStar agreed to BellSouth's language.

Issue 13 — This issue has been resolved. BlueStar has accepted BellSouth's proposed Performance Measurements.

Issue 16 — BellSouth proposes the following language to BlueStar:

2.6.1 Where facilities permit and subject to applicable and effective FCC rules and orders, BellSouth shall offer access to its Unbundled Sub Loop (USL), Unbundled Subloop Concentration (USLC) System and Unbundled Network Terminating Wire (UNTW) elements. BellSouth shall provide nondiscriminatory access, in accordance with 51.311 and section 251 © (3) of the Act, to the subloop, on an unbundled basis and pursuant to the following terms and conditions and the rates approved by the Commission and set forth in this Attachment. Until such time as rates for Sub Loop elements have been approved by the Commission, CLEC-1 shall pay to BellSouth interim cost-based rates established by BellSouth, such rates to be subject to true-up in accordance with Section 17.3 of this Attachment.

2.6.2 Subloop components include but are not limited to the following:

2.6.2.1 Unbundled Sub-Loop Distribution;

2.6.2.2 Unbundled Sub-Loop Concentration/Multiplexing Functionality; and

2.6.2.3 Feeder.Unbundled Network Terminating Wire; and

2.6.2.4 Unbundled Sub-Loop Feeder.

2.6.3 Unbundled Sub-Loop (distribution facilities)

2.6.3.1 Definition

2.6.3.2 Subject to applicable and effective FCC rules and ordes, the unbundled sub-loop distibution facility is dedicated transmission facility that Bellsouth provicdes from a customer's point of demarcation to a BellSouth cross-connect device. The BellSouth cross-connect device may be located within a remote terminal (RT), or a stand-alone cross-box in the field or in the equipment room of a building. There are two offerings available for Unbundled Sub-Loops (USL):

2.6.3.3 Unbundled Sub-Loop Distribution (USL-D) will include the sub-loop facility from the cross-box in the field up to and including the point of demarcation.

2.6.3.4 BellSouth will also provide sub-loop interconnection to the intrabuilding network cable (INC) (riser cable). INC is the distribution facility inside a subscriber's building or between buildings on one customer's same premises (continuous property

not separated by a public street or road). USL-INC (riser cable) will include the facility from the cross-connect device in the building equipment room up to an including the point of demarcation.

2.6.4. Requirements for Unbundled Sub-Loops Distribution Facilities

2.6.4.1 Unbundled Sub-Loop distribution facilities were originally built as part of the entire voice grade loop from the BellSouth central office to the customer network interface. Therefore, the Unbundled Sub-Loop may have load coils which are necessary for transmission of voice grade services. The Unbundled Sub-Loops will be provided in accordance with technical reference TR73600.

2.6.4.2 USL distribution facilities shall support functions associated with provisioning, maintenance and testing of the Unbundled Sub-Loop. In a scenario that involves connection at a BellSouth cross-box located in the field, CLEC-1 would be required to deliver a cable to the BellSouth remote terminal or cross-box to provide continuity to CLEC-1's feeder facilities. This cable will be connected, by a BellSouth technician, to a cross-connect panel within the BellSouth RT/cross-box. CLEC-1's cable pairs can then be connected to BellSouth's USL within the BellSouth cross-box by the BellSouth technician. In a scenario that requires connection in a building equipment room, BellSouth will install a cross connect panel on which access to the requested sub-loops will be connected. The CLEC's cable pairs can then be connected to the Unbundled Sub-Loop pairs on this cross-connect panel by the BellSouth technician.

2.6.4.3 BellSouth will provide Unbundled Sub-Loops where possible. Through the firm order Service Inquiry (SI) process, BellSouth will determine if it is feasible to place the required facilities where CLEC-1 has requested access to Unbundled Sub-Loops. If existing capacity is sufficient to meet the CLEC demand, then BellSouth will perform the set-up work as described in the next section 2.6.4.4. If any work must be done to modify existing BellSouth facilities or add new facilities (other than adding the cross-connect panel in a building equipment room as noted in 2.6.4.2) to accommodate CLEC-1's request for Unbundled Sub-Loops, BellSouth will use its Special Construction (SC) process to determine the additional costs required to provision the Unbundled Sub-Loops. CLEC-1 will then have the option of paying the one-time SC charge to modify the facilities to meet CLEC-1's request.

2.6.4.4 During the initial set-up in a BellSouth cross-connect box in the field, the BellSouth technician will perform the necessary work to

splice the CLEC's cable into the cross-connect box. For the set-up inside a building equipment room, BellSouth will perform the necessary work to install the cross-connect panel that will be used to provide access to the requested USLs. Once the set-up is complete, the CLEC requested sub-loop pairs would be provisioned through the service order process based on the submission of a LSR to the LCSC.

2.6.5 Interface Requirements

2.6.5.1 Unbundled Sub-Loop shall be equal to or better than each of the applicable interface requirements set forth in the following technical reference:

2.6.5.1.1Telcordia (formerly BellCore) TR-NWT-000049, "Generic Requirements for Outdoor Telephone Network Interface Devices," Issued December 1,1994;

Michael Bressman

From: Susan.M.Arrington@bridge.bellsouth.com
Sent: Friday, February 11, 2000 1:01 PM
To: norton.cutler@bluestar.net
Cc: Stephen.Klimacek@BellSouth.COM
Subject: BellSouth's Proposed Stipulation


BellSouth's.txt


STIP.DOC

BellSouth's

Norton,

Attached is BellSouth's proposed Stipulation and Amendment. Please no te that
with respect to Issue 5, this interim process is not yet available, bu t is
being developed. I do not have a set date that I can commit to at thi s time.

I believe that the attached documents propose to settle Issues 5, 6a, 7 and 9
in addition to the issues 2 and 11 that will be addressed through the line
share negotiations and the other issues that have previously been reso lved, 1,
6b,c,d,and e, 8, 12 and 13.

The remaining outstanding issues are: 3, 4, 10, 15 and 16 as well as 14 in all
states except Florida.

Call me if you have any questions.

Susan

STIPULATION

THIS STIPULATION between BellSouth Telecommunications, Inc. ("BellSouth") and BlueStar Networks, Inc. ("BlueStar") is entered into and effective this ___th day of February, 2000. BellSouth and BlueStar are collectively referred to herein as the "Parties."

WHEREAS, BlueStar filed a Petition for Arbitration with BellSouth pursuant to the Telecommunications Act of 1996 ("Petition") on December 7, 1999 with the Florida Public Service Commission, the Georgia Public Service Commission, the Kentucky Public Service Commission, and the Tennessee Regulatory Authority, (collectively, the "Commissions");

WHEREAS, Issues[1] 1, 6(b,c,d, and e), 8, 12, and 13 had previously been resolved by the Parties;

WHEREAS, Issue 14 was removed from the Florida arbitration by an order of the Florida Public Service Commission's staff dated January 25, 2000, which is the subject of a Motion for Reconsideration filed February 4, 2000;

WHEREAS, BlueStar is participating in BellSouth's cooperative line sharing negotiations along with a number of other CLECs that will work in a cooperative effort to determine the rates, terms and conditions for line sharing including, conducting a line sharing trial.

WHEREAS, the Parties have continued to negotiate to resolve the issues contained in the Petition; and

WHEREAS, the Parties have reached a resolution on many of the issues.

NOW, THEREFORE, the Parties hereby agree as follows:

1. Pursuant to the attached Amendment dated February __, 2000 between the Parties, the Parties have resolved Issues 5, 6a, 7, 9, and only in Florida, 10a and 10b.

2. As a result of the cooperative line sharing negotiations, BlueStar believes that Issues 2 and 11 of the arbitration proceeding will be addressed during the cooperative negotiations and therefore agrees to remove these issues from this proceeding.

3. All other issues not resolved by the Parties remain pending in this proceeding, provided however, that with respect to Issue 14, BlueStar reserves all legal rights to seek review or appeal of the Florida Public Service Commission's Order.

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[1] The form and numbering of the issues contained in this Stipulation correspond with the form and numbering of the "Tentative List of Issues" attached as Appendix A to the Order of the Florida Public Service Commission, Docket No. 991838-TP (January 21, 2000).

4. Either or both of the Parties shall submit this Stipulation to the Commissions.

IN WITNESS WHEREOF, the Parties hereto have caused this Stipulation to be executed by their respective duly authorized representatives on the date indicated below.

BlueStar Networks, Inc.	**BellSouth Telecommunications, Inc.**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

AMENDMENT TO THE AGREEMENT BETWEEN BLUESTAR NETWORKS, INC. AND BELLSOUTH TELECOMMUNICATIONS, INC. DATED DECEMBER 28, 1999 (Florida, Georgia, Kentucky and Tennessee)

Pursuant to this Amendment, BlueStar Networks, Inc. ("BlueStar") and BellSouth Telecommunications, Inc. ("BellSouth"), hereinafter referred to individually as a "Party" or collectively as the "Parties," hereby amend that certain Interconnection Agreement between the Parties dated December 28, 1999 (the "Interconnection Agreement").

WHEREAS, the Parties entered into an Interconnection Agreement on December 28, 1999; and

WHEREAS, the Parties desire to amend that Interconnection Agreement.

NOW THEREFORE, in consideration of the mutual provisions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows:

1. The Interconnection Agreement entered into between the Parties is hereby amended to delete Sections 2.1.7 of Attachment 2 in its entirety and replace it with new Section 2.1.7 of Attachment 2 as follows:

2.1.7 Where facilities are available, BellSouth will install loops within a 5-7 business day interval. For orders of 14 or more loops, the installation will be handled on a project basis and the intervals will be set by the BellSouth project manager for that order. Some loops require a Service Inquiry (SI) to determine if facilities are available prior to issuing the order. BellSouth will use best efforts to respond to the service inquiry within a 3-5 business day period. The interval for SI process is separate from the installation interval. For expedite requests by BlueStar, expedite charges will apply for intervals less than 5 days. The charges outlined in BellSouth's FCC #1 Tariff, Section 5.1.1 will apply. If BlueStar cancels an order for network elements and other services, any costs incurred by BellSouth in conjunction with the provisioning of that order will be recovered in accordance with FCC #1 Tariff, Section. 5.4.

2. The Interconnection Agreement entered into between the Parties is hereby amended to delete Section ____ in its entirety and replace it with new Section ____ as follows:

BellSouth shall provide BlueStar with non-discriminatory access to the loop qualification information that is available to BellSouth, so that BlueStar can make an independent judgment about whether the loop is capable of supporting the advanced services equipment that BlueStar intends to install. Loop qualification information is defined as information, such as the composition of the loop material, including but not limited to: fiber optics or copper, the existence, location and type of any electronic and other equipment on the loop, including but not limited to, digital loop carrier or other remote concentration devices, feeder/distribution interfaces, bridge taps, load coils, pair-gain devices, disturbers in the same or adjacent binder groups; the loop length, including the length and location of each type of transmission media; the wire gauge(s) of the loop; and the electrical parameters of the loop, which may determine the suitability of the loop for various technologies.

BellSouth shall make such information available to BlueStar in accordance with the FCC's UNE Remand Order. BellSouth is developing an electronic interface to its Facility Assignment Control System ("LFACs") with a targeted date of third quarter 2000 for implementation. Electronic access to BellSouth's Loop Qualification System (LQS) is also available.

3. The Interconnection Agreement entered into between the Parties is hereby amended to delete Section ____ in its entirety and replace it with new Section ____ as follows:

Pursuant to the Appendix A of the document entitled, "Operational Understanding between BellSouth Maintenance Centers and CLEC Maintenance Centers for Local Services", BlueStar may request escalations for repair services.

4. The Interconnection Agreement entered into between the Parties is hereby amended to include a new Section ____ as follows:

BellSouth is currently developing and will make available to BlueStar as an interim process until the loop qualification interface is available, a process whereby xDSL loop orders that are rejected by BellSouth will be automatically converted to orders for UCLs without requiring BlueStar to resubmit the order.