

**Before The  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

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| In the Matter of:                          | ) |                     |
|  | ) |                     |
| Application by BellSouth Corporation,      | ) | CC Docket No. 02-35 |
| BellSouth Telecommunications, Inc.,        | ) |                     |
| and BellSouth Long Distance, Inc. for      | ) |                     |
| Provision of In-Region, InterLATA Services | ) |                     |
| in Georgia and Louisiana                   | ) |                     |

**SUPPLEMENTAL REPLY AFFIDAVIT OF DAVID P. SCOLLARD**

I, David P. Scollard, being first duly sworn upon oath, do hereby depose and state as follows:

**I. PROFESSIONAL EXPERIENCE**

1. I am Manager, Wholesale Billing at BellSouth Billing, Inc. (BBI). Having provided an affidavit in BellSouth’s 271 application for Georgia and Louisiana before the Federal Communications Commission (“FCC”), I herein respond to comments received on that application as they related to billing.

**II. RESPONSE TO BILLING ISSUES**

2. Network Telephone (Network Telephone Supplemental Comments at 8) complains that it was unfairly treated when requesting historical Daily Usage Files (DUF). This issue is nothing more than a billing dispute between BellSouth and Network Telephone. The situation is as follows: Network Telephone asked BellSouth to provide some usage data for calls placed prior to the date that Network Telephone asked to be provided DUF in a production environment. While BellSouth keeps some of this data, a contract programmer was needed to correctly identify the

files requested by Network Telephone and to ensure that the information was formatted and provided to Network Telephone in an accurate manner. When CLECs make such requests, BellSouth requires that the CLEC pay for the work in advance. Once the actual work is performed, BellSouth issues a credit if the estimate proves to have been too high. In Network Telephone's case, the estimate was, in fact, too high and BellSouth owed Network Telephone a credit. However, due to an oversight, the application of the credit took several weeks.

Network Telephone filed a complaint with the Florida Public Service Commission on this issue. The application of the credit (approximately \$8,000) was deferred until the Commission staff neared the completion of its data gathering activities. The credit to Network Telephone will be included on the bill provided in early April. BellSouth committed to issuing the credit, not because of any complaint in Florida or because of errors in billing - as claimed in the comments of Network Telephone – but because that is the business policy followed when these situations arise. In addition, Network Telephone has disputed a portion of the charge for the contractor's work. The charges in dispute, however, are for valid "get ready" activities that are performed with any computer-related project and are necessary to ensure that the DUF records provided to Network Telephone were complete and accurate. Thus, BellSouth believes the dispute lodged by Network Telephone is unfounded. Irrespective of the merits of the dispute, there are contractual dispute resolution procedures in place for the parties to follow to resolve commercial disputes like this.

3. AT&T (Bradbury / Norris Decl. ¶74; AT&T Supplemental Comments at 11, n. 10.) and MCI (Lichtenberg Supplemental Decl. ¶29) raise an issue regarding potential mismatches of service addresses maintained in the Regional Street and Address Guide (RSAG) and the service addresses maintained in the billing system (namely, the Customer Records Information System – CRIS). Without a factual basis, MCI hypothesizes that service orders will likely fall out in error in the billing system if the addresses do not match. MCI is not correct. The billing system is designed to accept the service address that appears on services orders that are input into it. Because the service order contains the service address obtained from RSAG, no mismatch will occur as orders are posted to the CSR. In fact, the system will accept the address as stated on

the order without a comparison back to RSAG. This ensures there is no delay in posting the order to the CSR.

4. MCI also makes a number of allegations regarding the invoices provided by BellSouth. First, MCI (Lichtenberg Supplemental Decl. ¶¶78-80) claims that the invoices are flawed because a billing telephone number (BTN) was not provided on 3% of the lines that were billed. This too is incorrect. This issue was raised in the comments filed by MCI in October 2001. BellSouth's position on this issue has never changed. *See* Reply Affidavit of David Scollard ¶14 (filed Nov 13, 2001) (Reply App., Tab N) (“November Scollard Reply Affidavit”). BellSouth reviewed the OBF specifications for supplying telephone numbers for services provided on UNE bills. The specifications call for BellSouth to indicate which USOCs and charges appear for each telephone number by use of an electronic record providing this information. The specifications do not require that a BTN be placed on each record. On March 4, 2002, representatives of the BellSouth billing team talked with Ms. Cindy West of the MCI billing staff. The parties discussed the industry specifications, and BellSouth explained the exact location within the records where MCI could find the telephone numbers for each line. Ms. West seemed to be satisfied with this information. Ms. Lichtenberg's continued insistence that BellSouth has a problem to “fix” is not correct.
5. Similarly, MCI (Lichtenberg Supplemental Decl. ¶¶78-80) continues to assert that BellSouth's invoices are flawed because BellSouth is not using the correct billing number to bill for UNE-P services. This claim also is not true. This issue was also raised by MCI in its comments filed in October 2001 and BellSouth's response again remains the same. *See* November Scollard Reply Affidavit ¶8 (Reply App., Tab N). A summary of the issue is as follows: BellSouth provides MCI with two invoices for its UNE accounts in Georgia. One invoice includes accounts established in the Atlanta “area” (also called a Revenue Accounting Office or RAO) and the other invoice includes all other accounts in Georgia (sometimes referred to as the “out state” account). MCI complains that BellSouth is including Atlanta accounts on its out state bill and vice versa. The fact is that MCI has become confused about which accounts will be included on the Atlanta bill. The Atlanta billing account includes UNE-P charges for lines in all

area codes in the Atlanta metropolitan area (area codes 404, 770 or 678); however, it appears that MCI expects only accounts in the 770 and 404 area code to be included. As explained in my reply comments filed in November 2001, the invoices provided to MCI contain a list of the accounts included on each bill. The mixing of many different area codes on a single bill is nothing new and is the same manner in which charges for retail services are billed to multi-location business or residence customers. Again, Ms. Lichtenberg's continued insistence that BellSouth has a problem to "fix" is not accurate.

6. MCI (Lichtenberg Supplemental Decl. ¶82) states that it has experienced "specific system problems" with the DUF that are provided by BellSouth. BellSouth's DUF group is aware of only two issues in past months for which MCI has raised questions. The first issue did not involve a system problem and only pertained to questions from MCI related to operator calls. These questions were answered by BellSouth, and BellSouth has heard nothing more from MCI on this issue. The only other DUF related issue from MCI that BellSouth is aware of involved a problem with ODUF pack sequence numbers. This problem was not significant in that it did not involve any missing or incorrect usage data from ODUF. The problem only involved ODUF pack sequence numbers which normally go in sequence from '01' to '99' for each customer. After a system problem occurred with the output sequence table on February 19, 2002, the sequence numbers were inadvertently restarted to '01' on all ODUFs for all CLECs. The sequence table was corrected, and the correct pack number for each customer was restarted on February 22, 2002. All CLECs, including MCI, who questioned BellSouth about this problem reported that they understood that no usage data was actually missing or incorrect as a result of the problem, and none of the CLECs requested that BellSouth retransmit any ODUF data. If any other issues exist, then MCI should bring it to the attention of the DUF group within BellSouth so that it can be discussed and corrected as needed. For MCI to allude to "problems" in this regulatory venue that MCI has not even felt the need to discuss with the subject matter experts at BellSouth is questionable at best.
7. MCI again raises the issue about a usage process known as outcollects (Lichtenberg Supplemental Decl. ¶¶82-84). As I stated in my reply affidavit filed in November 2001, what

MCI is really looking for is a way to submit a usage bill dispute electronically. *See* November Scollard Reply Affidavit ¶4 (Reply App., Tab N). BellSouth does not provide that capability to any customer, retail CLEC or Interexchange Carrier. BellSouth does, however, provide CLECs with an efficient process to report issues with BellSouth's DUF records. The BellSouth billing documentation (*The BellSouth CLEC Billing Guide*, Chapter 4 available to all CLECs at [http://www.interconnection.bellsouth.com/guides/html/understanding\\_bill.html](http://www.interconnection.bellsouth.com/guides/html/understanding_bill.html)) contains a form to report such cases and provides that each reported trouble will be acknowledged within 24 hours. Ms. Lichtenberg states that this method is not effective because the form used to report issues can only be used for single records and not for issues that effect thousands of records. Clearly, Ms. Lichtenberg does not understand the process. A CLEC can report a trouble that impacts entire files (containing hundreds of thousands of records), thousands of individual records or, if the CLEC wishes, a single record. Ms. Lichtenberg's justification of the electronic returns process is that BellSouth would then have the records to be repaired. This makes no sense because BellSouth, as the supplier of the records, already has the records, and another copy is unnecessary. The current process provides an effective means by which a CLEC can report usage problems directly to the subject matter experts at BellSouth who can rapidly respond to any issues that arise. MCI has requested that BellSouth look into developing an electronic returns process as a New Business Request. BellSouth will handle this accordingly.

8. Repeating another claim raised in its initial comments, MCI (Lichtenberg Supplemental Decl. ¶85) complains that the remedy payments for missing key billing measures are too low to incent BellSouth to provide accurate and timely billing. As I stated in my original reply affidavit, BellSouth has numerous incentives to provide accurate bills. *See* November Scollard Reply Affidavit ¶5 (Reply App., Tab N). First, and most important, BellSouth is committed to providing customers (CLECs as well as end user customers) with the highest level of service possible. Second, under the SEEMS plans in Georgia and Louisiana, BellSouth is subject to significant penalties that must be paid when accurate bills are not provided to CLECs. Third, any issue that arises on a customer's bill causes BellSouth to expend resources to respond to

customer questions and resolve the dispute. BellSouth has a vested interest in avoiding the additional expense and time incurred when billing problems arise. Fourth, BellSouth has the same incentive as CLECs to maximize the cash flows resulting from its business. Any delays in receiving payment for services due to billing disputes and related investigations will obviously slow down the flow of cash available to BellSouth.

9. MCI (Lichtenberg Supplemental Decl. ¶¶27-34) comments on the timeliness of updating CSRs with service order information. First, the process is in parity by design in that BellSouth uses the same process to update a CLEC's CSR with service order information as is used to update the CSR of a BellSouth retail customer. An error-free service order will be updated to the billing system within three business days of the order "completing" the provisioning processes. The three business day period for CSR updates is the result of normal bill processing requirements. There are multiple billing cycles in any given month. When an account is in the process of having a bill prepared, the CSR is frozen for a three day period, one day prior to the bill pull, the day of the bill pull, and one day after the bill pull. This is done in order to ensure that the bill accurately reflects the status of the customer's account. If an update to the CSR is received at the initiation of the bill pull process, it can take approximately 72 hours, or three business days, for the CSR to be updated. Obviously this process only affects a subset of all CSR updates in a given month. As further demonstrated below, over 70% of the updates occur within the initial 24 hour period most months. Nevertheless, in order to allow for the proper operation of the billing system, BellSouth uses a three business day period for planning and operational purposes for both retail and wholesale billing operations. If an error is detected after the provisioning processes are complete, additional time will be taken to correct the error and post the information to the CSR. One place that an error can be detected is in the billing system. The process of identifying and correcting these types of errors is called the "hold file." I explained this issue and BellSouth's response in detail in both my opening affidavit filed in October 2001 and in my reply affidavit filed in November 2001. See Affidavit of David P. Scollard ¶¶54-58 (filed October 2, 2001) (App. A, Tab 19) and November Scollard Reply Affidavit ¶6 (Reply App., Tab N). Billing hold file errors are identified on a small percentage of orders for both the

retail and CLEC orders. For all orders submitted by CLECs in Georgia during January 2002, approximately 0.6% contained errors detected while the billing system was processing the order. That compares to a 0.7% error rate found on orders processed for BellSouth's retail customers. Ms. Lichtenberg's statement (Lichtenberg Supplemental Decl. ¶28) that it is "relatively routine" for orders to fall into the hold file process is not accurate. The process to resolve these errors is a critical step towards ensuring that service order information is accurately applied to the customer service records, and this process is used on all types of orders for retail customers, interexchange carriers and CLECs. The plain fact is that when errors occur on service orders (for any customer), it will take some amount of time to make the corrections. While some exceptions do occur, the vast majority of service orders that contain these types of errors are corrected in one or two business days. Since these correction activities are performed on retail orders as well as on CLEC orders, CLECs are provided with a meaningful opportunity to compete with BellSouth.

10. Supplemental Reply Exhibit DPS-1 provides the results of a study of \*\*\* MCI service orders submitted to BellSouth in Georgia and processed through CRIS during January 2002. As reflected on the Exhibit, approximately \*\*\* of all MCI service orders were updated to the CSR within 1 day of the date that the order was completed in the provisioning process. Approximately \*\*\* of MCI's orders were updated to the CSR within 3 days, and over \*\*\* were updated within 5 business days.
11. While BellSouth strives to clear any errors and to update the CSR as rapidly as possible, there will be exceptions that will delay posting. MCI (Lichtenberg Supplemental Decl. ¶30) states that a CLEC would not receive usage records for those accounts impacted by a service order delay. That is not correct. For unbundled switch ports, the billing system will identify the usage associated with a service order that has an error and wait until the error is cleared and then send the usage to the CLEC. This process is critical to ensure that the usage records sent to CLECs are accurate and complete so as to minimize the impact on the CLEC's billing operations.
12. MCI (Lichtenberg Supplemental Decl. ¶32) also raises an issue about "billing completion notifiers." BellSouth has already responded to these previously raised complaints. *See*

November Scollard Reply Affidavit ¶9 (Reply App., Tab N). Simply stated, these are notices provided to the CLECs when their orders are updated to the CSR in the billing system. MCI submitted a change request for BellSouth to begin providing these notifiers. In response to MCI's change request for this functionality, BellSouth explained that the industry organizations dealing with ordering and billing matters would be the appropriate venue to raise the issue rather than in the CLEC change control process (CCP). In an attempt to settle this issue, however, BellSouth has notified the CLECs that the request has been accepted into change control for prioritization by the CLECs. BellSouth plans to use the same type of notifier that is currently being used by Verizon. The risk to all parties, however, is that at some point in the future, the OBF may develop something different which will require BellSouth and the recipient CLECs to revise the notifier process to match the OBF. In any event, the billing completion notice is not necessary for a CLEC to begin billing its customer. The order completion notice (OCN) provides the CLEC with the notification that the provisioning of the order has been completed and that the CLEC has effectively begun to provide service to the end user. In those exceptional cases where BellSouth continues to bill its former end user due to a delay in posting the service order (and that delay has extended past the end user's bill period), then BellSouth will automatically provide the end user with credits back to the effective date of the service order as it posts in the billing system. Therefore, the impact, if any, on the end user is minimal.

13. MCI (Lichtenberg Supplemental Decl. ¶¶80, 82) also points to two exceptions in the Florida third party test that MCI contends prove that BellSouth provides deficient bills to CLECs. Even were the Commission to consider the Florida test, the exceptions referenced by MCI do not evidence problems with the bills. These exceptions are discussed below:

**Exception 44** – KPMG questioned the quantities of unbundled port usage being billed on invoices provided by BellSouth. After investigating this matter, BellSouth found that the vast majority of issues were actually caused by misunderstandings on KPMG's part as to which calls would generate billing for the various usage rate elements for unbundled end office switching, unbundled tandem switching, etc. BellSouth met with KPMG and explained the policies surrounding the calls and rate elements. KPMG and BellSouth met to clarify what rate elements



were to be billed on each type of call. Those discussions clarified all billing questions except for those associated with one type of call. KPMG requested that BellSouth update some of the BellSouth documentation on the website and to make one minor revision to an indicator on the DUF records. Both of these changes have been completed, and a program change was implemented on February 22, 2002 to correct the billing with this one type of call.

**Exception 149** – KPMG reported that BellSouth did not provide 12% of the expected DUF records as part of the usage evaluation. With the exception of two calls (out of approximately 700 total), BellSouth explained to KPMG where these records could be found within the files sent to KPMG, and it is likely that this exception will be closed.

14. Mpower (Mpower Supplemental Comments at 13) repeats a number of issues from its filing that was made in October, 2001. First, Mpower claims that BellSouth continues to support CLECs with a flawed dispute process and that BellSouth continues to show charges as being due after they have been disputed. BellSouth has already responded in full to this issue. *See* November Scollard Reply Affidavit ¶23 (Reply App., Tab N). The essence of this issue is that CLECs (including Mpower) often submit disputes that lack the details needed to investigate the claim. Because BellSouth cannot begin to investigate the claim until the details are provided, the dispute must be sent back to the CLEC for clarification and therefore cannot be entered into the electronic dispute tracking system. As bills are created and collections activities are performed, amounts associated with the unsubstantiated claims must be manually tracked so that they can be considered when working with the CLEC's accounts. Because of this, human errors are going to occasionally cause the types of problems raised by Mpower. These problems would have been avoided had Mpower initially submitted fully supported claims.
15. Mpower also claims that BellSouth continues to bill it for services that have been disconnected. This is not true. For the disputes to which Mpower refers, most of the circuits in question had, in fact, been removed and the appropriate billing transactions were provided to credit Mpower back to the appropriate date. In some cases, the credits were provided on the bill following the one on which Mpower expected to see the credits. In no case was there found to be a significant delay in BellSouth's working of the disconnects for the Mpower circuits.

16. Mpower also complains that BellSouth back-bills CLECs for charges that cover many months. In some isolated cases, this is true. In one case mentioned by Mpower, BellSouth billed CLECs for service ordering charges for LSRs that were submitted by CLECs and then subsequently cancelled. The service ordering systems are not capable of providing the billing system with information to bill these applicable charges on orders that are cancelled. Thus, BellSouth accumulates the data for these cases and bills the CLECs at one time for all of them. BellSouth notified the CLEC community of this decision and made available details of specific LSRs being billed.
17. Mpower also complains that BellSouth continues to bill it for special access instead of UNEs. BellSouth has reached an agreement with Mpower on this issue, but the conversions of the accounts have not yet taken place. The supplemental reply affidavit of BellSouth affiants Ruscilli / Cox speaks more to this issue (Ruscilli / Cox Supplemental Reply Affidavit ¶47) (Supp. Reply App., Tab E). Until such time as these conversions are completed, BellSouth is billing Mpower appropriately for the services that have been ordered; namely, special access. As the final agreement associated with these services is implemented, appropriate adjustments will be issued on Mpower's bills.
18. AT&T (Bursh / Norris Decl. ¶¶136-137) insinuates that BellSouth's billing performance in a handful of areas highlights deficiencies in the systems used by BellSouth to bill CLECs. This is not true. First, AT&T addresses the non-recurring charge completeness measure for local interconnection. This measure tracks the ability of the ordering and billing systems to begin billing a CLEC non-recurring charges for local interconnection services on the next invoice after an order has "completed." For local interconnection orders, the goal is to meet a benchmark of 90%. In October 2001, the result was 78.44% and in November 2001, the result was 74.18%. The benchmark was not met in October or November 2001 because of delays encountered in correcting a handful of service order errors in a timely manner. The non-recurring charge completeness measures can be negatively impacted by situations that have very little to do with the billing process at all. In January 2002, these measures were missed due to the decision to back-bill OSS charges for LSRs that are issued and then subsequently cancelled

by the CLEC. BellSouth is allowed to recover its OSS costs for the development of the systems and centers that process the LSRs submitted by CLECs for local service. These OSS costs are recoverable by BellSouth on a per LSR basis, whether or not the LSRs continue completely through provisioning or the CLECs elect to cancel the LSRs. However, BellSouth's systems have not been equipped to apply the OSS charges associated with cancelled LSRs. Once a service order is cancelled, there is no order to which billing charges can be applied. BellSouth made the decision to manually back-bill OSS charges for cancelled LSRs until an initiative to bill these charges on a current basis has been completed. This initiative is expected to be completed by the end of 2002. The transactions used to provide the CLECs with this billing were identified with dates back to July 2000. If a CLEC was billed for LSRs dating from July 2000, to November 2001 on the January 2002 bill, then all of that amount would be identified as being "late" (i.e., identified as a charge related to prior bill periods) for purposes of the completeness measure. Since CLECs should be billing their end users from the records that they themselves maintain of service order activity, these back-billed transactions would have no impact on the CLEC's ability to bill its customers for services provided.

19. In an effort to improve its performance related to the non-recurring charge completeness measure for local interconnection, BellSouth implemented a corrective action plan during the 3<sup>rd</sup> quarter of 2001 that requires service representatives in the ordering center to notify their manager when a service order error is not resolved on the second attempt. Additionally, individual coaching sessions have been conducted with each service representative on the top 3 errors that are made by the center. Interfaces have also been developed between the ordering center and other BellSouth departments to ensure that orders are posted on time. However, in October 2001, management determined from a root cause analysis that this plan was insufficient to meet this metric. Therefore, a change to the corrective action plan was put into place in November 2001 for the center managers to more strictly monitor the service orders being worked on a daily basis and to ensure timely resolution of errors. If an error is unresolved for a significant period of time, the center managers are required to refer the issue to the center director for handling. Since the changes made in November 2001, BellSouth has made

improvements in the rates at which local interconnection service order errors are being corrected. BellSouth will continue to monitor results and will adjust procedures as necessary to further improve this metric.

20. AT&T also addresses invoice accuracy in Louisiana. The CLECs experienced UNE invoice accuracy rates that were less than those for invoices BellSouth sends to its retail customers during October 2001 (99.21% accuracy for BellSouth versus 85.92% for the CLEC invoices). This measure was missed as a result of a single adjustment made to a CLEC's bill that covered several months' activity to one account in Louisiana. During December 2001, the CLECs also experienced UNE invoice accuracy rates that were less than the rates for the invoices BellSouth sent to its retail customers (99.08% accuracy for BellSouth versus 91.52% for the CLEC invoices). The difference in performance was the result of only one adjustment made to remove several months' worth of back-billed zone pricing charges from one CLEC customer's UNE account. The adjustment was made because the customer's contract specifically states that the customer should not be back-billed for zone pricing. In order to prevent this type of problem from occurring in the future, BellSouth has implemented a procedure that requires review of a customer's contracts for back-billing limitations before any back-billing is done on the customer's accounts. In any event, the CLECs were not placed at a competitive disadvantage to BellSouth due to these adjustments.

### **III. CONCLUSION**

21. In summary, the issues raised by the CLECs in this proceeding do not indicate any systemic problems with BellSouth's billing systems; they are, at most, anecdotal examples of isolated instances when something went wrong with individual transactions that appeared on the bills that BellSouth provided, or differences of opinion on contract provisions. While BellSouth is concerned with every case where billing has not been 100% accurate, these examples do not indicate that CLECs have been placed at a competitive disadvantage to BellSouth. The examples provided by CLECs in this proceeding are mainly the result of human error or other oversight that will occur from time to time. BellSouth is proud of its accomplishments in the area of billing and provides a quality billing service to all of its customers.

22. This concludes my Affidavit.

I hereby swear that the foregoing is true and correct to the best of my information and belief.

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David P. Scollard  
Manager - Wholesale Billing  
BellSouth Billing, Inc.

Subscribed and sworn to before me this \_\_\_\_\_  
day of \_\_\_\_\_, 2002.

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Notary Public