BELLSOUTH

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July 31, 2001

VIA HAND DELIVERY

Mr. David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: *Docket to Determine the Compliance of BellSouth Telecommunications, Inc.'s Operations Support Systems with State and Federal Regulations*
Docket No. 01-00362

Dear Mr. Waddell:

Enclosed is BellSouth's Operations Support Systems Regionality Filing. This filing replaces the filing made by BellSouth on June 21, 2001. The filing is comprised of the testimony and exhibits of the following BellSouth witnesses:

Ken L. Ainsworth
David A. Coon
Alfred Heartley
Ronald M. Pate
David P. Scollard

The testimony and exhibits of Messrs. Ainsworth and Heartley are unchanged. The testimony and exhibits of Messrs. Coon, Pate and Scollard have been supplemented since the June 21 filing. The reports of PriceWaterhouseCoopers are attached to Mr. Pate's testimony.

Pursuant to Authority Rule 1220-1-1-.03(4), an original and four paper copies of the testimony and exhibits is enclosed. One electronic copy on CD ROM is also enclosed. Electronic copies are being provided to counsel of record for all known parties.

Thank you for your attention to this matter.

Very truly yours,

Guy M. Hicks

GMH/ch

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CERTIFICATE OF SERVICE

I hereby certify that on July 31, 2001, a copy of the foregoing document was served on counsel for known parties, via the method indicated, addressed as follows:

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BELLSOUTH TELECOMMUNICATIONS, INC.

DIRECT TESTIMONY OF DAVID P. SCOLLARD

BEFORE THE TENNESSEE REGULATORY AUTHORITY

DOCKET NO. 01-00362

JULY 31, 2001

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

A. I am David P. Scollard, Room 28A1, 600 N. 19th St., Birmingham, AL 35203. My current title is Manager, Wholesale Billing at BellSouth Billing, Inc. (BBI), a wholly owned subsidiary of BellSouth Telecommunications, Inc. ("BellSouth"). In that role, I am responsible for overseeing the implementation of various changes to BellSouth's Customer Records Information System (CRIS) and Carrier Access Billing System (CABS).

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

A. I graduated from Auburn University with a Bachelor of Science Degree in Mathematics in 1983. I began my career at BellSouth as a Systems Analyst within the Information Technology Department with responsibility for developing applications supporting the Finance organization. I have served in a number of billing system design and billing operations roles within the billing organization. Since I assumed my present responsibilities, I have overseen the progress of a number of billing system revision projects such as the billing of

unbundled network elements (UNEs), as well as the development of billing solutions in support of new products offered to end user customers. I am familiar with the billing services provided by BellSouth to local competitors, interexchange carriers (IXCs) and retail end user customers.

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

A. I have testified before the state public service commissions in South Carolina, Florida, Georgia, Kentucky, Louisiana, Mississippi, the Tennessee Regulatory Authority, and the Utilities Commission in North Carolina on issues regarding the capabilities of the systems used by BellSouth to bill for services provided to retail customers, IXCs and Competitive Local Exchange Carriers (CLECs).

Q. HOW IS YOUR TESTIMONY ARRANGED?

A. My testimony is divided into the following sections:

Part A: Executive Summary: Pages 3 to 8.
The Executive Summary contains an overview of how BellSouth is providing billing to local competitors on a non-discriminatory basis.
Part B: Comprehensive Discussion of the Issues: Pages 8 to 32.

Part B contains a more extensive discussion of how BellSouth is providing billing to local competitors on a non-discriminatory basis as well as discussion on how BellSouth has continued to improve its billing process.

PART A: EXECUTIVE SUMMARY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. The purpose of my testimony is to describe how BellSouth is providing billing to local competitors on a non-discriminatory basis in accordance with the Telecommunications Act of 1996 ("the Act") and Federal Communications Commission (FCC) requirements. My testimony will also specifically address several issues related to BellSouth's billing system capabilities that have been raised by CLECs in recent months. As my testimony will demonstrate, BellSouth does not discriminate in its provision of wholesale bills or usage information to competing carriers.

Q. WHAT SYSTEMS DOES BELLSOUTH USE TO PROVIDE BILLING TO CLECS FOR SERVICES ORDERED FROM BELLSOUTH?

A. BellSouth uses three systems to provide CLECs with bills for services ordered from BellSouth. These systems are CRIS, CABS and the BellSouth Industrial Billing System (BIBS). CRIS is used to provide billing for resale service requests, resale usage events, UNE service requests and UNE billing

transactions for unbundled switched ports and unbundled Service Level 1 loops. Billing for all other UNEs and interconnection services are channeled through CABS. BIBS processes the usage events associated with unbundled switch ports.

Q. HOW DO THE PROCESSES USED TO BILL CLECS COMPARE TO THOSE USED TO BILL BELLSOUTH'S RETAIL AND IXC CUSTOMERS?

A. The systems and billing processes BellSouth uses to provide bills to CLECs are essentially the same as those used by BellSouth to provide bills to its retail and IXC customers. However, BIBS was added as an additional enhancement to provide CLECs with switch port usage. The billing process performs two basic functions. First, it performs the daily processes that input, edit and prepare customer transactions. These transactions generally include service orders, switch recordings or usage records, payments, and adjustments. Second, it performs the monthly processes that extract, format and distribute billable events to the customer. BellSouth retail, IXC and CLEC data comes to the billing systems together and is processed together. Whether the inputs being collected are usage records, payments, adjustments or service orders, the systems used to collect and send them to the billing systems are the same for all customers. Also, all of the bills marked for a specific bill period in both CRIS and CABS are created together. No separate processing is done to create a bill for a CLEC.

Q. DESCRIBE THE TYPES OF BILLING INFORMATION THAT BELLSOUTH PROVIDES TO CLECS.

A. BellSouth provides CLECs with two types of billing information. First, the Daily Usage Files (DUF) provide CLECs with usage records for call events that are recorded by BellSouth's central offices. CLECs may use DUF records in billing their end users or access customers. BellSouth also provides detail records to enable CLECs to bill other telecommunications providers for services jointly provided by BellSouth and the CLEC. These records are provided in accordance with the Meet-Point Billing guidelines established by the industry and these same standards are used in all states in BellSouth's region.

Second, BellSouth provides CLECs a wide range of choices for receiving invoices for the services they order. BellSouth offers its customers ordering retail services the option of receiving paper or electronic bills using the capabilities provided by CRIS. Billing records can be delivered via a number of output media such as diskette, magnetic tape, and CD-ROM. Customers may also receive billing records via direct data transmission. Through the capabilities provided by CABS, BellSouth provides bills to its IXC and retail customers in either an industry-developed print image format or in the Ordering and Billing Forum (OBF) -developed Billing Data Tape (BDT) format. Print image bills can be obtained on paper, diskette or CD-ROM. BDT records can be delivered via magnetic tape (tape reels or cartridges) or Connect:direct transmission (point-to-point dedicated line data transfer).

BellSouth provides any CLEC with the same bill formats it provides to its own retail customers. In addition, BellSouth provides the CLECs the option to have all of their resale services, UNE services and interconnection services billed on CABS formatted bills.

Q. PLEASE SUMMARIZE THE TYPES OF CONTROLS THAT ARE IN PLACE TO INSURE BELLSOUTH'S BILLING SYSTEMS ARE PROCESSING BILLING TRANSACTIONS CORRECTLY.

A. The billing quality assurance efforts of BellSouth can be divided into three broad categories. First, myriad controls, exception checks and error correction activities are performed each day on the inputs that make up "billing". Second, a great deal of emphasis is placed on control of the numerous tasks that must take place as a "bill period" is pulled, or readied, for creation. The final area involves bill distribution and post-billing. Here, the billing transactions are printed on paper or, alternatively, formatted into electronic billing records and mailed (or transmitted) to the customers. Each of these quality assurance measures is identical for CLEC bills and retail or IXC bills.

Q. PLEASE SUMMARIZE THE ASSURANCES THE AUTHORITY HAS THAT BELLSOUTH'S BILLING PROCESSES PROVIDE USAGE AND BILLING DATA TO CLECS IN SUBSTANTIALLY THE SAME TIME AND MANNER THAT BELLSOUTH PROVIDES TO ITSELF.

A. BellSouth produces a number of performance measures that track how well BellSouth's (OSS) are performing. The billing measures include comparisons of CLEC billing and usage accuracy and timeliness results with the same information provided to BellSouth's own customers. So, regardless of the system being used (CRIS, CABS or BIBS) to provide a CLEC with a bill, these measures will show how well BellSouth's CLEC billing operations are performing in relation to its own retail operations. Additionally, the third party testing that has been ordered by the Public Service Commission in Georgia has tested all of these processes. The test reports from this review will provide this Authority with a full appreciation for how well the systems used by BellSouth to provide CLECs with billing information are performing for CLECs in Tennessee.

Q. PLEASE SUMMARIZE HOW THE BELLSOUTH BILLING PROCESSES WHICH SUPPORT CLECS HAVE CHANGED OVER TIME?

A. The billing systems are revised to implement new guidelines. The following is an example of the changes that impact the billing systems. In the fall of 1998, the OBF completed its work on the new guidelines for the bill formats to be used in billing UNEs. The guidelines called for an implementation timeframe that extended into the middle of 1999. BellSouth completed the massive amount of work required to provide these new formats and implemented the new capability in September 1999.

PART B: COMPREHENSIVE DISCUSSION OF THE ISSUES

Q. IDENTIFY THE SYSTEMS BELLSOUTH USES TO PROVIDE BILLING TO CLECS FOR SERVICES ORDERED FROM BELLSOUTH.

A. The systems BellSouth uses to provide bills to CLECs are essentially the same as those used to provide bills to its retail and IXC customers. However, an additional enhancement has been added to provide CLECs with switch port usage. This additional enhancement is called BIBS. The actual systems used to accumulate, rate and format billing transactions vary depending on the services being ordered. If a CLEC orders a service for resale, the service request is channeled to CRIS to maintain a record for the CLEC of the services that BellSouth has provided. Likewise, usage events (toll calls, local calls, vertical service activations that are billed on a per use basis, etc.) associated with the resold services are also sent through CRIS.

For facilities-based CLECs, CRIS is used to maintain a record of service requests and resulting billing transactions for unbundled switch ports and unbundled loops (Service Level 1 loops). Service requests for all other UNEs and interconnection services are channeled through CABS. Therefore, all of the billing transactions related to all other UNEs and interconnection services are accumulated in CABS for preparing bills to the CLEC.

These two systems (CRIS and CABS) are the same systems used to bill BellSouth retail customers and IXCs for the services provided by BellSouth. Regardless of which of the two systems is being used, BellSouth performs the

same billing processes to prepare an invoice for a CLEC as it does for a retail customer or IXC.

Q. GENERALLY, HOW DOES THE BILLING PROCESS WORK?

A. Any billing process is designed to perform two basic functions. First, there are the daily processes that are performed to input customer transactions, edit them and prepare them as much as possible for creation of the bill. The types of daily transactions accumulated and processed in CRIS and CABS are quite numerous but generally include service orders (which provide information about customer order activity), switch recordings (which provide records of billable call events), payments received from customers, and other miscellaneous types of transactions such as adjustments for previously billed amounts. Second, at the end of each bill period (generally each month), the events for a given customer are extracted, formatted in a manner that is expected by the customer and distributed either via some type of postal carrier or sent electronically to the customer. The systems used to process CLEC billing transactions are essentially the same systems used to create bills for BellSouth's retail and IXC customers. Therefore, the individual transactions for CLECs are handled in the same manner as those for BellSouth's retail and IXC customers.

Q. DESCRIBE HOW THE BILLING SYSTEMS PROCESS SERVICE ORDER INFORMATION FOR RETAIL CUSTOMERS AND CLECS.

A. Each day, service order information from the ordering systems is received into either CRIS or CABS depending on the type of service being ordered. The service order information is not separated between CLEC orders and retail or IXC orders. The data comes to the billing systems together. The information is edited to insure that all of the information needed for billing purposes is complete and accurate. Any errors found are investigated, corrected and the service orders are sent back to CRIS or CABS for processing. Again, the data being edited and corrected is not separated between CLEC data and retail or IXC data. The editing and investigation operations are performed on both sets of data together. Once the service orders have passed the various edits, the rating process begins. Services being ordered by a customer (both CLEC and retail customers) are encoded on service orders using Universal Service Order Codes (USOCs). The USOCs indicate to the billing system which type of service is included on each of the orders. The rating tables in the billing systems contain the rates for each of the USOCs that should be billed. For retail and IXC customers, the rates are normally defined in the various tariffs filed with this Authority. Rates for individual services ordered by CLECs are generally defined in the interconnection agreements negotiated between the CLEC and BellSouth. The rating process in CRIS and CABS matches the USOCs on the service orders with the rates in the rating tables and determines how much should be charged to the customers. Again, the rating process performs this function for both CLEC orders and retail customers at the same time. Finally, the rated service order information is updated to the customer's account records in either CRIS or CABS to await the end of the month and

inclusion on the customer's invoice. This final step, like the proceeding steps, is performed on both CLEC and retail service orders at the same time.

Q. HOW ARE USAGE RECORDS PROCESSED FOR CLECS AND BELLSOUTH RETAIL CUSTOMERS?

A. Usage records for both CLEC customers and BellSouth's retail customers are generated in the switches and other database elements incorporated into the BellSouth network. Several times each day, these usage records are transmitted from the network to a collection system that is used by the billing system. At the time the data is collected, nothing on the usage records themselves distinguishes a CLEC record from a BellSouth record. Therefore, all of the data is collected together. The collection system then sends the records to a process that identifies where each record should be sent for billing the customer. If the record is associated with an access call or a call associated with a CLEC's interconnection service, it is sent to CABS. If the record is associated with a retail service or a resale service, it is sent to CRIS for handling. Records associated with unbundled switch ports are sent to BIBS. The invoice formats developed by the industry at the OBF did not allow switch port usage to be billed with call-by-call detail as is done for end users in CRIS, nor did the invoice call for the usage to be summarized in the way that access usage is billed in CABS. Therefore, BIBS was developed to meet the unique billing requirements for UNE usage.

In each case, the usage records are directed to the appropriate process dependent on the type of service the record represents rather than on whether or not the customer is a CLEC. For example, usage records destined for CRIS contain both retail records to be billed to BellSouth's customers as well as resale records of the CLECs.

Once in CRIS, CABS or BIBS, the usage records are edited, rated and stored until the close of the customer's billing period. These steps are performed for CLECs in the same manner as they are for BellSouth's retail or IXC customers. In addition, each day, the usage records for those CLECs which have elected to receive daily usage information via the Optional Daily Usage File (ODUF) or the Access Daily Usage File (ADUF) are copied and included on the files and transmitted to the CLEC. Finally, at the appropriate time, the edited and rated usage is placed on the customers invoice in the format that the customer has selected in the same manner as usage is included on the invoices BellSouth provides to its retail customers and IXC customers.

Q. IS THE OPERATION OF THE BILLING SYSTEM FOR EACH OF THE INPUTS THAT YOU DESCRIBED ABOVE "BLIND" TO WHETHER THOSE INPUTS ARE FOR A CLEC OR FOR A BELLSOUTH RETAIL OR IXC CUSTOMER?

A. Yes. Whether the inputs being collected are usage records, payments, adjustments or service orders, the systems used to collect and send them to the billing systems are the same for all customers.

Q. HOW ARE THE RATE TABLES DESCRIBED ABOVE UPDATED FOR CLECS?

A. Once an interconnection agreement with a particular CLEC has been negotiated and approved, the various sections are sent to the billing group for updating in the CRIS and CABS rate tables. For UNE services and interconnection services, the various USOC rates and usage rates are added to the tables with a rate for each element to be billed. Because the resale rates to be charged to a given customer are based on the General Subscriber Services Tariff (GSST) and the Private Line Tariff, the only information updated for the CLEC is the resale discount to be applied. Once the CLEC's rates have been added to the tables, then service orders sent from the CLEC and usage events generated from the provisioned services can be rated in an accurate and timely manner. Service order edits are in place to prevent a CLEC from ordering services until this process is completed.

Q. IF A BELLSOUTH END USER ELECTS TO BE SERVED BY A CLEC, HOW IS THIS EVENT UPDATED IN THE BELLSOUTH BILLING SYSTEMS?

A. The CLEC will send to BellSouth information identifying the customer which has selected the CLEC to be its local provider and also indicating what type of service the CLEC is requesting from BellSouth to serve that end user (resale service, UNE, LNP, etc.). That information will generate service orders, which

will be sent to the appropriate billing system as I have described above. The service orders will disconnect the end user's BellSouth account and will establish an account for the CLEC reflecting the services it has ordered from BellSouth to serve the end user. The end user will receive a final bill from BellSouth reflecting the fact that it has left BellSouth on whatever date was appropriate for this transaction. This final bill will include a pro rata credit for all services billed in advance on the end users previous bill from the day the customer left BellSouth through the end of the billing period. The CLEC's first bill for its new account will include charges beginning on the day after the end user stopped being provided service from BellSouth. In this manner, there is no overlap between the time BellSouth stops billing the end user and begins billing the CLEC.

Q. PLEASE DESCRIBE WHAT IS GENERALLY KNOWN IN THE INDUSTRY AS "DOUBLE BILLING".

A. Double billing is an error situation whereby two local exchange carriers are billing the same retail end user local service for the same facility. When it occurs, it is generally immediately after an end user has changed local service providers. For example, an end user being provided 10 business lines by BellSouth decides to switch 5 of the lines to a CLEC provider. The end user calls the CLEC and initiates an order for the CLEC to begin providing service for the 5 lines. The CLEC must initiate two activities. First, the CLEC sends an order to BellSouth to begin serving the customer either through resale, UNEs, local number portability, etc. Second, the CLEC must update its own billing

processes to begin billing the end user for the 5 lines. BellSouth's billing records must be changed to discontinue billing the end user for the 5 lines and begin billing the CLEC for the services it has ordered from BellSouth to serve the end user. Double billing occurs when either the CLEC has begun to bill the end user too soon for the 5 lines or BellSouth has continued to bill the end user too long. The fault could be on either the CLEC side or the BellSouth side.

Q. WHAT SAFEGUARDS DOES BELLSOUTH EMPLOY TO MINIMZE THE RISK OF DOUBLE BILLING?

A. First, BellSouth provides the CLEC with access to a mechanized order completion notice, which indicates when the service orders initiated by the CLEC to convert a customer from BellSouth to the CLEC have completed. This notification is provided to the CLEC at the same time it is provided to BellSouth's billing system. This gives both companies the same opportunity to establish (or discontinue) billing the end user for the converted facilities at the appropriate time. Second, in the case of resale facilities, BellSouth has the capability to convert a customer from BellSouth to a CLEC using a single service order. For these conversions, the simplicity of processing one order minimizes the risk that the order to discontinue billing the end user will be delayed. Third, as stated above, BellSouth provides end users with pro-rata credits for any facility that has been billed in advance back to the date on which that end user was converted to a CLEC. Therefore, any delays in disconnecting the end user from BellSouth's billing system will automatically be negated as the service orders are processed.

Q. DESCRIBE THE PROCESS BY WHICH THE INVOICES ARE CREATED AT THE END OF EACH BILL PERIOD.

A. In both CRIS and CABS, there are databases which keep up with the dates on which each account has been scheduled to be billed. On the appropriate date, all of the transactions that have been accumulated for a given account are sent to the bill calculation process for totaling up all of the charges the customer owes. The system then takes the calculated charges and formats them as requested by the customer and creates the actual invoice either on paper or in an electronic format.

Q. IS THE INVOICE CREATION PROCESS DONE SEPARATELY FOR CLEC BILLS AND BELLSOUTH RETAIL AND IXC BILLS?

A. No. All of the bills marked for a specific bill period in both CRIS and CABS are created together. No separate processing is done to create a bill for a CLEC. The only differentiation is the format on which a customer has elected to receive his bill. For example, all of the CRIS Customized Large User Bills (CLUB) will be created with a different process from that used to create a CABS access bill or a bill for unbundled switch ports. However, all CLUB bills, whether for a retail customer or a CLEC, will be created together.

Q. DESCRIBE THE TYPES OF BILL INVOICE CHOICES AVAILABLE TO RETAIL CUSTOMERS AND IXCS THAT BELLSOUTH BILLS?

A. BellSouth offers its customers ordering retail services the option of receiving paper or electronic bills using the capabilities provided by CRIS. Billing products, such as the CLUB and the Diskette Analyzer Bill (DAB), provide a wide range of options for sorting billing data for use in financial applications or other uses. These products also provide the customer the ability to produce customized reports and to integrate billing information with other computer applications. CRIS billing can also be provided in national standard record formats such as Electronic Data Interexchange (EDI) records developed by the American National Standards Institute (ANSI). These records can be delivered via a number of output media such as diskette, magnetic tape, and CD-ROM. Finally, customers can also receive billing records via direct data transmission.

Through the capabilities provided by CABS, BellSouth provides bills to its IXC and retail customers in either an industry-developed print image format or in the OBF-developed Billing Data Tape (BDT) format. Print image bills can be obtained on paper, diskette or CD-ROM. BDT records can be delivered via magnetic tape (tape reels or cartridges) or Connect:direct transmission (point-to-point dedicated line data transfer).

Q. HOW DO THE INVOICE CHOICES BELLSOUTH OFFERS TO RETAIL CUSTOMERS AND IXCs COMPARE TO THOSE OFFERED TO CLECS?

A. One thing that BellSouth has strived to accomplish is to provide CLECs with the bill formats that are most beneficial to them without regard to the system

that is being used to process the billing transactions. For resold services, BellSouth offers the same bill formats that are available to its retail customers. This includes the CLUB, the DAB, as well as the standard paper bill. BellSouth also provides CLECs with the option of having their resale bills provided in a CABS format using the specifications devised by the industry at the OBF. In that way, a CLEC accustomed to using the CABS formats for interexchange access can have these types of bills created for its resale business as well.

For unbundled services (including those services for which billing transactions are being processed in CRIS) and interconnection services, BellSouth provides CLECs with the CABS formats developed at OBF specifically for those services. In particular, the OBF has expended a great deal of effort to create guidelines for use in billing unbundled switch ports and unbundled loops. BellSouth implemented these guidelines in the timeframes specified by the industry in the summer of 1999. In summary, BellSouth provides any CLEC with the same bill formats it provides to its own retail customers. In addition, BellSouth provides the CLECs the option to have all of their resale services, UNE services and interconnection services billed on CABS formatted bills.

Q. HOW MANY CLECS DOES BELLSOUTH BILL?

A. Exhibit DPS-1 provides a summary of the CLECs that were billed by BellSouth for the month of June 2001 along with a total of the different types of bills that BellSouth produced. In its nine-state region, BellSouth produced

approximately 5,900 CLEC bills for approximately 349 different CLECs using the various billing options available to them. In Tennessee, BellSouth produced 591 CLEC bills for approximately 58 CLECs operating in the state.

Q. WHAT TYPES OF USAGE DATA CAN CLECS OBTAIN FROM BELLSOUTH?

A. As I mentioned previously, BellSouth has developed a family of products collectively known as the Daily Usage Files (DUF) that provide CLECs with usage records for call events that are recorded by BellSouth's central offices. These products are identical in all of the states in BellSouth's region. Two separate interfaces are available from which this information can be obtained.

First, ODUF contains information on billable transactions for resold lines, interim number portability accounts and unbundled switch ports. A CLEC can use the ODUF to bill its end users who are served by resold lines, interim number portability or unbundled switch ports for usage events associated with calls placed by those end users. Beginning in December 1998, BellSouth enhanced ODUF to include usage records for local calls originating from a CLEC's flat-rate lines ordered as resale. BellSouth refers to this ODUF option as the Enhanced ODUF, or EODUF. BellSouth developed the EODUF specifically to respond to CLEC complaints that such data was not available.

Second, ADUF provides the CLEC with records for billing IXCs interstate and intrastate access charges (whether the call was handled by BellSouth or an

IXC) or reciprocal compensation charges to other LECs for calls originating from and terminating to unbundled switch ports. The BellSouth network does not have the capability to record a terminating call record when an end user served out of a BellSouth switch has placed a call to a CLEC's unbundled switch port. Because the UNE charges that would be paid by the CLEC to BellSouth for these calls offsets the reciprocal compensation charges that would be collected for the same calls, the need for the call records is obviated. This process, in effect, represents a surrogate for the records which is offered to all CLECs obviating the need for the data.

The capabilities of the EODUF and ADUF that are made available to CLECs fully answer the questions that the FCC raised in the Second Louisiana Order, 13 FCC Rcd at 20734, ¶¶160, 230, 232 concerning usage records.

Q. HOW MANY DUF RECORDS HAS BELLSOUTH PROVIDED TO CLECS?

A. During June, 2001, BellSouth provided over 193 million DUF records to approximately 236 different CLECs in its region with 15.4 million of those records going to 52 CLECs in Tennessee. Exhibit DPS-2 provides a spreadsheet that summarizes the types of records that are provided to CLECs. The DUF interfaces allow a CLEC to process call records in its billing systems in substantially the same manner and timeframes as BellSouth processes these types of records in its own systems. Exhibit DPS-3 provides a small sample of the DUF records that were provided to a CLEC in Tennessee.

Q. BESIDES THE USAGE RECORDS PROVIDED TO CLECS VIA DUF, WHAT OTHER TYPES OF USAGE RECORDS DOES BELLSOUTH MAKE AVAILABLE TO CLECS?

A. In addition to the DUF records, BellSouth provides detail records to enable CLECs to bill other telecommunications providers for services jointly provided by BellSouth and the CLEC. These records are provided in accordance with the Meet-Point Billing guidelines established by the industry and these same standards are used in all states in BellSouth's region.

Q. WHAT IS MEET-POINT BILLING?

A. On occasion, two local exchange companies will jointly provide a telecommunications service to a third company. For example, suppose a CLEC and an IXC are both interconnected with BellSouth at an access tandem in Columbia, SC. If a customer of the IXC places a call to an end user of the CLEC, then BellSouth and the CLEC have jointly provided terminating access to the IXC. In this example, BellSouth is providing the tandem switching and perhaps some portion of interoffice transport and the CLEC is providing the end office switching and perhaps some portion of the transport. Meet-point billing is the set of guidelines that BellSouth and the CLEC will use to bill the IXC for the portion of the access service that each has provided to the IXC. These guidelines have been developed and are maintained by the industry at the OBF, and cover such topics as which provider is to record for the calls, which provider is responsible for sending to the other the call records, etc.

Q. HOW IS MEET-POINT BILLING USAGE SENT BETWEEN CARRIERS?

A. In the example stated above, BellSouth, as the tandem provider, would send to the CLEC a call detail record the CLEC would use to bill the IXC. The CLEC would need to select a vendor to act as its intermediary with all industry participants for collecting the usage data needed by the CLEC to perform the meet-point billing functions. The company so selected as its intermediary is termed the "Revenue Accounting Office (RAO) Host". Sometimes a CLEC chooses BellSouth as its RAO Host and sometimes they do not. All local exchange carriers (ILECs and CLECs alike) will send data bound for another local exchange carrier via the RAO Host selected by that LEC. In March 2001, BellSouth provided over 139 million meet-point billing usage records to CLECs in the region either directly as an RAO Host company or to CLECs through the RAO Host selected by those CLECs.

Q. WHAT TYPES OF CONTROLS ARE IN PLACE TO INSURE BELLSOUTH'S BILLING SYSTEMS ARE PROCESSING BILLING TRANSACTIONS CORRECTLY?

A. The billing quality assurance efforts of BellSouth can be divided into two broad categories. Together, those categories cover the entire billing process whether that billing is done in CRIS, CABS, BIBS, or a billing system to be developed in the future. All of these measures, when taken as a whole, are

targeted towards insuring that the information on the bills sent to any customer is accurate, complete and timely.

First, myriad controls, exception checks and error correction activities are performed each day on the inputs that make up "billing". Second, a great deal of emphasis is placed on control of the numerous tasks that must take place as a "bill period" is pulled, or readied, for creation. The final area involves bill distribution and post-billing. Here, the billing transactions are printed on paper or, alternatively, formatted into electronic billing records and mailed (or transmitted) to the customers, with the emphasis being on the accuracy of the overall bill and the timeliness of getting the bills to their respective distribution centers (U. S. Post Office, or third party vendor). Each of these quality assurance measures is identical for CLEC bills and retail or IXC bills.

Q. WOULD YOU DESCRIBE SOME OF THE MEAURES USED TO CONTROL THE DAILY PROCESSING OF TRANSACTIONS INPUT TO THE BILLING SYSTEMS?

A. As described above, daily processes are executed in the billing systems to collect the numerous inputs that represent the billing events of customers. Each of the inputs has its own set of control measures to insure that data needed for billing is accurate, complete and timely. As an example, the quality assurance measures incorporated in the handling of switch usage data are typical of the manner in which the systems process billing inputs. As usage information is collected from the network, the billing system is designed to set alarms and

reports to indicate when a particular switch or other collection point has not transmitted data or to identify when a data path from the switch is not operable so that corrective measures can be taken to bring this data source "back on line". As the usage data are entered into the front end of the billing system, control software is run to perform analysis of the types of data recorded. Control limits are applied to identify any anomalies that may exist in the volumes being processed for a particular switch, type of call, day of the week, hour of the day or even the NPA-NXX being seen on the records. As the usage information is readied to be sent to the CRIS, CABS and BIBS billing applications, a number of format edits are done to check for errors that may have arisen due to switch problems. Because, at this point in the process, there is no indication whether the usage is for a CLEC's retail end user or a BellSouth retail end user, all of the controls over this processing are applied equally to BellSouth and CLEC usage.

As the usage information is processed further, additional edits and checks are done to insure that the correct customer (CLEC or BellSouth end user) has been charged for the calls represented by the usage records. For example, the customer's records are accessed to make sure that a local measured call matches the local calling plan that the customer has ordered. Again, these additional edits are done on all end user data whether associated with a CLEC or with a BellSouth retail customer.

Q. WHAT ARE SOME EXAMPLES OF CONTROLS IN PLACE FOR CREATING THE BILLS AT THE END OF EACH BILL PERIOD?

A. First, BellSouth uses a bill verification process to monitor those areas of the billing system most at risk. These areas include new products or services being implemented or services with a change in billing structure. Usage-based services, which may include volume-sensitive or discounted calling plans, are included in the bills that are verified each day. For each bill period, a variety of bills are drawn from a mix of different customer types (e.g., residence, simple business, complex business, IXC) and types of services. Monthly service, other charges and credits, usage charges, adjustments and taxes are verified. As part of this review, CLEC bills are sampled each day and a full verification of the sample is done so that any general issues with applying resale discounts or other CLEC-specific issues can be identified and corrected prior to releasing the bills for mailing. Additional samples are created each month to review CLEC unbundled switching bills to insure that the usage being processed from BIBS has been accurately processed to the bill and that the bill formats for these services are correct.

Q. WHAT ASSURANCES DOES THE AUTHORITY HAVE THAT BELLSOUTH'S BILLING PROCESSES PROVIDE USAGE AND BILLING DATA TO CLECS IN SUBSTANTIALLY THE SAME TIME AND MANNER AS THAT WHICH BELLSOUTH PROVIDES TO ITSELF?

A. BellSouth produces a number of measures that track how well BellSouth's OSS are performing. The billing measures include comparisons of CLEC billing and usage accuracy and timeliness results with the same information

provided to BellSouth's own customers. So, regardless of the system being used (CRIS, CABS or BIBS) to provide a CLEC with a bill, these measures will show how well BellSouth's CLEC billing operations are performing in relation to its own retail operations. Additionally, the third party testing that was ordered by the Public Service Commission in Georgia has tested all of these processes. The test reports from this review provide this Authority with a full appreciation for how well the systems used by BellSouth to provide CLECs with billing information are performing for CLECs in Tennessee.

Q. ARE THE PROCESSES AND EQUIPMENT USED FOR BILLING IN TENNESSEE THE SAME AS THE PROCESSES AND EQUIPMENT USED IN GEORGIA AND THE REMAINING STATES IN BELLSOUTH'S REGION?

A. Yes. For CRIS, CABS and BIBS, the same physical software that processes transactions and creates invoices in Georgia also performs these same functions in Tennessee and all other states in the BellSouth region. The same group performs the control functions described previously for all of the states in the BellSouth region, including Tennessee. A central staff supporting all states develops methods and procedures required to perform all of the steps to accurately produce bills for CLECs. The maintenance of the various reference tables (such as product rates, etc.) used by the billing system is handled for all states by one group. The systems, processes and procedures are the same for all states and are created, maintained and executed by the same group of employees regardless of the state being processed.

To effectively manage the massive amounts of data processing required to keep the daily billing cycles running, customer accounts are segregated into separate sets of databases depending on the state in which that account resides. Because of this, multiple occurrences of CRIS, BIBS and CABS run in parallel at the same time utilizing all of these databases. However, all of the software versions of CRIS, CABS and BIBS are identical to each other and they are run on the same type of hardware for all states. These separate processing streams are running in two data centers in Birmingham, Alabama and Charlotte, North Carolina. However, regardless of which processing stream is running, the software, controls, procedures and processing steps required to create invoices for customers (CLEC and retail) are the same.

Q. DOES THIS MEAN THAT THERE ARE NO DIFFERENCES AT ALL BETWEEN INVOICES PROVIDED TO CUSTOMERS IN TENNESSEE FROM INVOICES PROVIDED TO CUSTOMERS IN OTHER STATES SERVED BY BELLSOUTH?

A. No. Obviously because the products and services offered by BellSouth to customers in Tennessee may differ from those offered in other states, the invoices themselves will not be identical. While the underlying logic for CRIS, CABS and BIBS is the same throughout the nine states served by BellSouth, state-specific and CLEC-specific differences within the systems are necessary due to account for such things as:

- different rates for products between states;

- varying tax rules that may be adopted by state and local governments;
- differences in the tariffs that have been approved by the Commissions;
- CLEC-specific differences in product rates or resale discounts.

To account for these differences, the reference tables BellSouth uses in its billing systems must carry state-specific and CLEC-specific information. However, the systems and processes used to maintain these tables, regardless of the state, are the same as those successfully tested in Georgia.

Q. HAVE THE BELLSOUTH BILLING PROCESSES THAT SUPPORT CLECS CHANGED OVER TIME?

A. Yes. BellSouth has continued to enhance the billing processes that it uses to provide billing information to CLECs. Such enhancements are a continuous, on-going effort. The reason for this can be summed up in one word - change. The industry continues to meet and discuss the interactions and interdependencies of each company providing telephone service to end users. All of these discussions lead to new ways of providing billing information between the industry participants and, therefore, the billing systems are being revised to implement new guidelines as they mature. In addition, actions arising from this Commission and other regulatory bodies continue to change the ways that companies must interact with each other. Some of these changes will necessitate revisions to the billing systems. As each of these efforts continues, new guidelines, covering billing invoice formats, message exchange

data formats and the communication needed to accurately provide each other with billing information, will be created, changed, abolished and rewritten.

Q. WHAT TYPES OF CHANGES HAVE BEEN MADE OR CONTINUE TO BE ADDRESSED?

A. BellSouth has continued to make enhancements to the invoices that it provides to CLECs for resale services and UNEs. In the summer of 1997, BellSouth began billing CLECs for usage elements connected with unbundled switch ports. The invoices for the usage charges were provided from CRIS and contained supplemental reports, that included details for each type of usage. In May 1998, these capabilities were enhanced to provide an option whereby a CLEC could receive its invoices in formats that were developed by the industry at the OBF. Since, at that time, the OBF was just beginning the work to develop billing formats for UNEs, BellSouth "borrowed" the resale formats, also developed at OBF, for billing UNEs until the new guidelines were complete. In August 1998, BellSouth further enhanced the invoices sent to CLECs by implementing a new system capability which merged the details provided on the usage billing supplemental report with the invoice itself. This included the rates being charged for each UNE usage element and the minutes of use for each element. In the fall of 1998, the OBF completed its work on the new guidelines for the bill formats to be used in billing UNEs. The guidelines called for an implementation timeframe that extended into the middle of 1999. BellSouth completed the massive amount of work required to provide these new formats and implemented the new capability in September 1999. Exhibit

DPS-4 of my testimony provides a copy of one of the CABS-Formatted UNE bills provided to a CLEC in Tennessee in June, 2001.

Q. WHAT IS BELLSOUTH'S CURRENT CAPABILITY TO PROVIDE MECHANIZED INVOICES FOR UNE AND RESALE SERVICES ORDERED BY CLECS?

A. BellSouth provides mechanized invoices for all services that are offered to CLECs. For local interconnection services, BellSouth uses the processes in CABS that have generally been in place to bill IXCs for access services with some modifications to account for differences in ordering and rating. Exhibit DPS-5 to my testimony provides a paper example of a local interconnection bill for a CLEC in Tennessee. While this example is a paper document, the CLEC can receive its local interconnection bill on CD-ROM, diskette or transmission across a dedicated or dial-up facility. For resale services, most of the CLECs in the region choose to use the bill formats available in CRIS (i.e., CLUB either in paper, diskette, CD-ROM or magnetic tape media). Electronic transmission of the CLUB bill is also available for CLECs. In addition, since August 1997, BellSouth has provided CLECs with the option of receiving resale bills using the CABS formats designed at OBF. Currently, four CLECs are receiving these CABS formatted bills in the region served by BellSouth.

As I described above, BellSouth provides CABS formatted bills for all UNEs provided to CLECs. In each case, the CLEC will receive a bill, mechanically generated, in the OBF developed CABS format. The same media choices that

are available to CLECs for local interconnection billing are also available for the UNE bills provided by BellSouth. Exhibit DPS-4 contains a copy of a CABS bills for unbundled switch ports sent to a CLEC in June, 2001.

Q. CAN BELLSOUTH BILL CLECS FOR USAGE-SENSITIVE UNES?

A. Yes. As I mentioned previously, BellSouth began to bill CLECs for usage sensitive UNEs as early as August, 1997. Since that time, enhancements have been made to improve the system's capabilities. The latest change has been to implement the OBF UNE bill formats. A significant portion of the bill formats developed deal with usage sensitive services. The usage section of the UNE bill provided as Exhibit DPS-4 contains the quantities, prices and charges for all usage sensitive elements such as unbundled local switching, unbundled shared interoffice transport, unbundled operator services, unbundled directory assistance, unbundled 800 data base queries, etc. Again, this bill was mechanically generated from the billing transactions collected from BellSouth's switching equipment for calls originating from or terminating to a CLEC's unbundled switch ports.

Q. WOULD YOU PLEASE SUMMARIZE YOUR TESTIMONY?

A. Yes. BellSouth provides CLECs with nondiscriminatory access to bills and billing data. BellSouth provides CLECs the necessary billing information via the daily usage file products to enable the CLECs to bill their end users in substantially the same time and manner as BellSouth bills its own retail and

access customers. BellSouth has taken the necessary steps to provide CABS formatted bills for UNE services as well as resale services ordered by CLECs. I have shown that the billing systems and processes used in Tennessee are the same as those used in Georgia and all other states in the BellSouth region. The third party testing performed in Georgia fully and fairly represents the processes used in Tennessee. Finally, BellSouth is committed to continue to update and improve its billing processes to support CLEC customers as the needs of these customers change.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

AFFIDAVIT

STATE OF: Alabama
COUNTY OF: Jefferson

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared David P. Scollard –Manager-Wholesale Billing, BellSouth Billing Inc., who, being by me first duly sworn deposed and said that:

He is appearing as a witness before the Tennessee Regulatory Authority in Docket No. 01-00362 on behalf of BellSouth Telecommunications, Inc., and if present before the Authority and duly sworn, his testimony would be set forth in the annexed testimony consisting of 32 pages and 5 exhibit(s).

David P. Scollard

Sworn to and subscribed
before me on July 31, 2001

Rita K. Barnwell
NOTARY PUBLIC

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Dec 28, 2004
BONDED THRU NOTARY PUBLIC UNDERWRITERS