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August 11, 2003

Deborah Taylor Tate, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Re: *Petition for Arbitration of ITC DeltaCom Communications, Inc. with BellSouth Telecommunications, Inc. Pursuant to the Telecommunications Act of 1996*
Docket No. 03-00119

Dear Chairman Tate:

Please accept for filing in the above-captioned proceeding the original and fourteen copies of the Rebuttal Testimony of the following on behalf of ITC^DeltaCom:

Steve Brownworth
Mary Conquest
Pat Heck
Jerry Watts

I have enclosed an additional copy to be stamped "filed." I appreciate your assistance in this matter.

Respectfully submitted,
BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: Leslie Evans
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LRE/pp
Enclosure

Cc: Henry Walker

BEFORE THE
TENNESSEE REGULATORY AUTHORITY

In the Matter of:	)	
	)	
Petition of Arbitration of ITC^DeltaCom	)	**Docket No. 03-00119**
Communications, Inc. with Bellsouth	)	
Telecommunications, Inc. Pursuant to the	)	
Telecommunications Act of 1996	)	

REBUTTAL TESTIMONY OF STEVE BROWNWORTH ON BEHALF OF ITC^DELTACOM COMMUNICATIONS, INC.

Q: PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.

A: My name is Steve Brownworth. I am an employee of ITC^DeltaCom Communications, Inc. ("ITC^DeltaCom"), and my business address is 1791 O.G. Skinner Drive, West Point, Georgia 31833.

Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A: The purpose of my testimony is to respond to the direct testimony of BellSouth witnesses Milner, Ruscilli and Blake regarding the unresolved issues concerning network interconnection and various other network operations issues.

It is my understanding that this issue is now settled; however, at the time of the filing of this testimony, we have not received written confirmation from BellSouth.

Issue 8: Integrated or Universal Digital Loop Carrier ("IDLC" and "UDLC")

Q: WHY IS THE "TECHNICAL TRANSMISSION REQUIREMENTS FOR VOICE GRADE LOOPS" MENTIONED BY MR. MILNER ON PAGE 13 OF HIS TESTIMONY AN ISSUE FOR ITC^DELTACOM?

A: It is an outdated mode of thinking. When looking at the use of the local line today, there is little debate that customers are utilizing their local lines for data (Internet access and fax). From BellSouth's web site it states:

> Under normal circumstances, the speed at which you connect to your Internet Service Provider (ISP) depends upon the speed of your modem, as well as a variety of other factors. These factors include the quality and compatibility of the modems at each end of the connection; the local network configuration; and constantly changing conditions such as the amount of traffic on the line and the number of users who are trying to access the same site...For example, with a

> 33.6k modem you will probably see rates of between 3-4k. This means your throughput is between 3-4 kilobytes per second. Since a byte equals 8 bits, you are effectively downloading at a rate of 8 times 3-4k, which equals between 24,0000 to 32,000 bits per second. This is a good transfer rate for high-speed analog modems.

This is the response BellSouth has to its customers on issues of speed for Internet services, where BellSouth mentions "local network configurations" and that with a 33.6K modem, passing 24 to 32K bps are "a good transfer rate for high speed analog modems."

However in BellSouth's TR 73600 Technical Specifications for Unbundled Local Loops, BellSouth states in Section 6.5:

> **6.5 Voiceband Data**
> BST does not guarantee that an Unbundled Voice Loop (non-designed or designed) will be suitable for analog data or Facsimile transmission. If a customer is able to send and receive data, BST does not guarantee a data rate.

In other words, there is no guarantee that dial-up Internet or fax will even work. BellSouth is setting a double standard and a clear difference in the quality of the loops BellSouth provides its own customers versus what BellSouth is willing to provide to CLECs. Furthermore, the Act and the FCC's orders pursuant thereto require BellSouth to provide ITC^DeltaCom an equivalent loop where technically feasible.

Q: COULD YOU SUMMARIZE THE CORE ISSUE THIS COMMISSION NEEDS TO

REVIEW?

A: Yes. Mr. Milner states that there is a quality standard for local loops that BellSouth is providing, and if ITC^DeltaCom wants something better, it should pursue this via the New Business Request ("NBR") process. This means that if ITC^DeltaCom wants its customer to have the same quality of local loop it has today and that quality exceeds the minimal standards for the UNE loop, ITC^DeltaCom has to go through the NBR process to ensure our customer doesn't suffer any degradation of service.

The core issue this Commission will need to address is parity with respect to the quality of the local loop. BellSouth's deployment of IDLC and other advances that maximize and improve the quality of the loop to the customer, along with its simultaneous provision to ITC^DeltaCom of minimal "technical transmission requirements for voice grade loops," leaves ITC^DeltaCom impaired at the UNE loop level until technical solutions can be formulated by BellSouth. (Milner Direct at 13). Alternate solutions mean little to customers that have noticeable differences in quality between BellSouth and the loops BellSouth would provide ITC^DeltaCom.

U.S. LEC and BellSouth in their current Georgia Interconnection Agreement addressed the parity issue with language of "To the extent it is technically feasible, these arrangements will provide US LEC with the capability to serve end users at a level that is at parity with the level of service BellSouth provides its

own Customers."

Additionally, I would respectfully suggest that the Commission review language in the AT&T and BellSouth Interconnection agreement in Georgia, dated August 7, 2001. These two parties addressed the issue of quality of the local loop with language; "These alternative arrangements will be used where available to permit AT&T to order a Loop and to provide AT&T with the capability to service end users at the same level BellSouth provides its retail customers, to the extent technically possible."

The arrangements referred to in the statements above relate back to Mr. Milner's testimony of the eight (8) different provisioning concepts for the local loop.

We are asking the Commission to allow for the same type of language to be extended to ITC^DeltaCom.

Q: EXHIBIT A TO MR. MILNER'S TESTIMONY IS A BELLSOUTH DOCUMENT CONCERNING THE TRIAL BETWEEN BELLSOUTH AND ITC^DELTACOM. WHAT IS ITC^DELTACOM'S RESPONSE?

A: BellSouth prematurely ended the trial and did not explore all options and issues. Furthermore, BellSouth has been ordered by two state commissions (Alabama and Tennessee) to provide an equivalent quality of loop with no additional analog to digital conversions.

The fact that BellSouth believes that there is no technical solution means that ITC^DeltaCom is impaired at the UNE DS0 loop level. Therefore, in an effort to resolve this issue, ITC^DeltaCom will agree to accept UNE-P in those situations where a conversion of the customer from BellSouth to ITC^DeltaCom will mean a degradation in the quality of the loop. Meanwhile, ITC^DeltaCom will continue to explore possible technical solutions such that customers served via IDLC that move to ITC^DeltaCom and are served by ITC^DeltaCom's switch located in Atlanta will not suffer a degradation in the quality of the loop.

Q: WHAT ALTERNATIVES ARE AVAILABLE IF BELLSOUTH CANNOT PROVIDE A LOOP THAT IS EQUIVALENT TO THE LOOP IT IS CURRENTLY PROVIDING TO THE CONSUMER?

A: Given that ITC^DeltaCom and its customers are impaired, the obvious solution is that ITC^DeltaCom will have to continue to use UNE-P for those customers that have an IDLC loop with BellSouth. The only other alternative is that BellSouth would move its customers in the area to a lesser but uniform standard.

Issue 11(b): Must All Network Elements be Delivered to Deltacom's Collocation Arrangement

Q: ARE ALL NETWORK ELEMENTS DELIVERED TO A DELTACOM COLLOCATION SITE TODAY?

A: No. BellSouth has proposed the following language to be included in the

interconnection agreement:

> ITC^DeltaCom may purchase Network Elements and other services from BellSouth under this Attachment 2 for the purpose of combining such network elements for use in any manner ITC^DeltaCom chooses to provide telecommunication services to its intended users, including recreating existing BellSouth services. **With the exception of the sub loop Network Elements which are located outside of the central office and any service specifically outlined in this Attachment 2 that does not terminate to a collocation arrangement, BellSouth shall deliver the Network Elements purchased by ITC^DeltaCom to the demarcation point associated with ITC^DeltaCom's collocation arrangement.**

DeltaCom has proposed the following language:

> ITC^DeltaCom may purchase Network Elements and other services from BellSouth under this Attachment 2 for the purpose of combining such network elements for use in any manner ITC^DeltaCom chooses to provide telecommunication services to its intended users, including recreating existing BellSouth services. **BellSouth will deliver the Network Elements purchased by ITC^DeltaCom in compliance with FCC and Tennessee Regulatory Authority rules.**

The key difference in the parties' positions is that BellSouth seeks to limit the network elements that ITC^DeltaCom can purchase without having them delivered to a collocation site and more specifically only to an ITC^DeltaCom collocation arrangement. ITC^DeltaCom seeks to obtain Network Elements in compliance with the FCC and state Commission orders meaning that DeltaCom may be able to obtain certain Network Elements at any technically feasible point. For example, BellSouth now claims that dark fiber is only available at the

ITC^DeltaCom collocation site and we can only order special access to other carriers' collocation sites. In summary, BellSouth seeks to limit ITC^DeltaCom's ability to obtain and use Network Elements by imposing a collocation requirement where no such technical limitation exists.

Q: IN MR. RUSCILLI'S TESTIMONY ON PAGE 10 HE STATES, "SIMILARLY, CARRIERS MAY CONNECT UNE OR TARIFFED TRANSPORT FROM THE ORDERING CARRIER'S COLLOCATION SPACE TO ANOTHER CARRIER'S COLLOCATION ARRANGEMENT." PLEASE RESPOND.

A: BellSouth still did not properly address the core issue that ITC^DeltaCom or any carrier should be able, with CFA/LOA and an agreement from another carrier, to order UNE services directly to the other provider's collocation space. This arrangement can be provisioned as tariffed special access services today. Mr. Ruscilli's comments suggest that ITC^DeltaCom, in order to utilize another carrier's collocation space, would need to get collocation space in the same central office, order the UNEs to the ITC^DeltaCom collocation, and then order a cross-connect to the other provider's collocation space. The concept of being able to order UNEs to another carrier's collocation space, without the expense and time of ITC^DeltaCom deploying similar assets, is to conserve central office space and to better utilize the available capital of the CLECs. What BellSouth suggests here does neither.

Q: EARLIER IN MR. RUSCILLI'S TESTIMONY ON PAGES 9 AND 10, HE

STATES "...UNDER CERTAIN PROVISIONS, CARRIERS (CLPS, IXCS AND CMRS PROVIDERS) MAY CONNECT UNE LOOPS, UNE LOCAL CHANNELS, OR TARIFFED LOCAL CHANNELS TO ANOTHER CARRIER'S COLLOCATION ARRANGEMENT." PLEASE RESPOND.

A: ITC^DeltaCom has asked the BellSouth Local Interconnection Account Team a similar question. ITC^DeltaCom is not clear as to the limitations surrounding "certain provisions" and how those limitations could impact ITC^DeltaCom.

We do know that UNE loop orders placed in Florida, in a similar manner to special access, were rejected by BellSouth, and BellSouth's response was that the orders could be processed if they were ordered as special access. See Exhibit A, e-mail dated April 6, 2003 sent to Van Cooper, the Director of Interconnection Services. We still do not have an answer from our account team as of the date of this filing.

If Carrier A has an agreement with Carrier B to utilize Carrier A's collocation space and Carrier B has a LOA/CFA from Carrier A, Carrier B should be able to place UNE orders (loop, channel, transport or any combination) to Carrier A's collocation space. CLECs should be able to utilize each other's space in a way that minimizes capital expenditure. Allowing CLECs to access other collocations will provide customers greater choices and encourage CLECs to move to facility-based solutions.

Issue 21: Dark Fiber Availability

Q: MR. MILNER STATES ON PAGE18 OF HIS TESTIMONY THAT DARK FIBER SHOULD BE AVAILABLE AT "DELTACOM'S COLLOCATION ARRANGEMENT." PLEASE RESPOND.

A: ITC^DeltaCom is concerned that BellSouth will take a narrower view of dark fiber UNEs over time and that view is different from the norm in other areas of the country. The fact that BellSouth worked cooperatively in the past makes its refusal to document reasonable business practices confusing to say the least.

ITC^DeltaCom has two concerns: (1) any requirement to have a collocation at a central office, versus being able to share collocation space with another service provider; and (2) that BellSouth will use the inability to enter a building or Central Office as a reason not to offer the fiber, when ITC^DeltaCom has the fiber facilities to provide access to that building or central office.

When asked to comment on whether the ITC^DeltaCom request to access dark fiber at points other than the ITC^DeltaCom collocation space (such as natural break points within the BellSouth network), Mr. Milner refers to the FCC's rules defining loops and transport suggesting that the FCC rules limit delivery points for each of these elements to those delivery points proposed by BellSouth. This is simply not the case. Within the FCC's definition of a loop, two critical points must be recognized: (1) the loop is defined as a "transmission facility between a distribution frame . . . in an incumbent LEC central office and the loop

demarcation point at an end-user customer premise"; and (2) the rule specifically includes dark fiber as a "feature, function and capability" of the loop. Therefore, if a dark fiber transmission facility between an ILEC central office and an end-user customer premises is practicably to be made available to ITC^DeltaCom, as theAuthority's rules require, this Authority must grant ITC^DeltaCom reasonable access to dark fiber that it has requested.

To understand why this is the case it is helpful to understand a little about how ILECs deploy excess capacity in the form of dark fiber. When an ILEC is deploying fiber in its network the cost of laying that fiber well exceeds the cost of the fiber itself. Therefore, it is efficient for the ILEC to deploy excess fiber in advance of future needs. However, it is impossible for the ILEC to know in advance precisely which transport routes, or which customer premises (considering also future construction) are likely to require the ILEC to enlist additional capacity. Therefore, to maximize flexibility in its outside plant deployment, the ILEC will often deploy its dark fiber unconnected and with planned "break points." In this way, simply splicing together different fiber strands at the planned break points can create unique fiber routes.

It is therefore critically important when considering the dark fiber UNE to keep in mind that there are very few, if any, contiguous dark fiber transmission facilities connecting an ILEC central office with a customers premises at any given time. The ILEC, in its ordinary course of business, activates dark fiber by splicing

together already deployed, but unconnected, fiber to create the transmission facility it desires.

In this arbitration, ITC^DeltaCom is asking for nothing more than the ability to use BellSouth's excess capacity, as required by the Authoritys' rules, in a nondiscriminatory manner—that is to say, in the same manner that BellSouth uses its own dark fiber. The flexibility inherent in the ability to use dark fiber to access a multiplicity of loop and transport routes does not, as BellSouth asserts, result in the "creation of a new UNE." Rather, access to dark fiber at splice points within the ILEC network is essential to ITC^DeltaCom's ability to constructively access an already-mandated UNE. Without the ability to access the dark fiber UNE in the same manner as BellSouth, ITC^DeltaCom will be effectively denied access to dark fiber loops and transport UNEs.

While this discussion has been largely focused on the use of dark fiber loops, BellSouth seems to be refusing access for the transport element because the transport element as defined by the FCC basically includes any transmission path that is not covered under the "loop" definition. Contrary to Mr. Milner's assertion, we are not aware of any undertaking or rulemaking by the FCC to "standardize" (i.e. "limit") how and where competitors can interconnect with the ILEC network. Again, it is ITC^DeltaCom's understanding that the Act requires BellSouth to provide for interconnection "at any technically feasible point within the carrier's network." 47 U.S.C. § 251(c)(2)(B).

NewSouth, in its Tennessee Agreement with BellSouth, has language that clearly states that BellSouth must provide Dark Fiber at any technically feasible point:

> 2.7.2.1 BellSouth shall make available in a reasonable and non-discriminatory manner, Dark Fiber where it exists in BellSouth's network and where, as a result of future building or deployment, it becomes available. If BellSouth has bona fide plans to use the fiber within a two year planning period, there is no requirement to provide said fiber to NewSouth. *BellSouth shall provide access to Dark Fiber at any technically feasible point.*

(Emphasis added). MCIm in its Tennessee Agreement with BellSouth has language that states "BellSouth shall make available Dark Fiber at Parity and on a non-discriminatory basis in accordance with applicable FCC rules and orders." We are simply asking for similar language in our interconnection agreement.

Q: WHAT HAS BEEN YOUR RECENT EXPERIENCE WITH ORDERING UNE DARK FIBERS WITH BELLSOUTH?

A: We have recently begun to increase the number of requests for Dark Fiber within BellSouth's network. Most of the Dark Fiber requests are for what BellSouth calls UNE Dark Fiber Loops. That is most requests are from our collocation in the BellSouth central office to an end user location.

When we process the UNE Dark Fiber Loop request, via BellSouth's LSR process we are generally told that the Dark Fiber Loop is not available. We then submit a Dry Fiber ASR request and are told the fiber is either available or

available with a small special construction fee. We are being told this "special construction fee" is for costs associated with BellSouth to splice together available fiber to perform an end to end Dark Fiber Loop connection. This has happened in Birmingham, AL and in Nashville, TN.

In the case of Jacksonville, FL, we were told that the UNE fibers were available but when we placed the firm order LSR, we were told the fibers were not available for UNE as they were not connected from the collocation to the end user, even though the fiber portions themselves where available.

In Nashville, we were told that Dark Fiber Loops were not available and we ordered Dry Fiber Loops out of BellSouth's access tariff and was told fiber is available. Our understanding of why BellSouth did not make the fiber available as a UNE, was they had to extend the fiber in the end user premise to a different location within the building. BellSouth charged ITC^DeltaCom special construction costs for this service.

This Nashville Dark Fiber Loop order uncovered another issue we have with the manner that BellSouth provisions its Dark Fiber. In Nashville, we have seen very high db losses on the fiber from BellSouth. Db loss in an important concept, as too high of loss makes the fiber difficult and more expensive to use. In the case of Nashville, we received losses of between –18.5 and –30.3 for a 9 mile fiber. What this means to ITC^DeltaCom is we can only deploy OC-48 technology and

have to add additional equipment and cost to overcome the db loss. Additionally, when our operations group worked with BellSouth, we found that the loses were due to the number of patch panels in a central office. Each patch panel inserts loss, so a number of patch panels would insert a great deal of loss. In the case of Nashville, our operations group found approx. 5 patch panels in the fiber. When the fiber is routed in and out of our collocation site, that is then 10 patch panels. Typically, we only see 1 or 2 patch panels in ITC^DeltaCom's central offices for our fiber use.

BellSouth's logic of having the fibers from the collocation to the end user full connected is a rare event. We seriously doubt that BellSouth has fiber connected from its end users to the central office in anticipation of the need for fiber. Rather, BellSouth has fiber assets that are easily called into service with connecting fibers at logical points in their network to service their customers.

What we are asking the Authority is to order BellSouth to provide us the UNE Dark Fiber Loop and other Dark Fiber requests in the same manner that BellSouth itself would deploy a Dark Fiber Loop. That is they would look at the capacity of dark fiber available and connect the fiber in a manner and quality that would provide service to their customer and internal use.

Q: ARE YOU WILLING TO PAY BELLSOUTH FOR THE WORK THEY HAVE TO PERFORM IN CONNECTING AVAILABLE FIBERS TO FORM THE UNE DARK

FIBER LOOPS, TRANSPORT and other Dark Fiber connections?

A: Yes, we are willing to pay reasonable charges and recognize that BellSouth has to perform some physical work to prepare the fiber for our use. However, we believe this work is no greater than if they were performing for their customer or internal needs.

Issue 36: UNE/ Special Access Combinations

Q: MS. BLAKE ON PAGE 6 OF HER TESTIMONY STATES THAT "NOTHING IN THE ACT REQUIRES BELLSOUTH TO PROVIDE COMBINATIONS OF UNES AND TARIFFED SERVICES." PLEASE RESPOND.

A: The FCC has never indicated that the ILECs do not have to combine UNEs with access services. The "co-mingling" restriction referred to in the Supplemental Clarification Order refers only to combining loop and transport UNE combinations with tariffed services. There is no other restriction of which ITC^DeltaCom is aware. Furthermore, the FCC's press release indicates that commingling will be permitted. A copy of that press release is attached as Exhibit B. It is not clear to us why BellSouth would have this in option in our current contract, take the verbage out only to place back in the agreement similar language.

Q: MS. BLAKE STATES ON PAGE 6 THAT BELLSOUTH HAS NO AGREEMENTS THAT REQUIRE UNE/SPECIAL ACCESS COMBINATIONS. DO YOU AGREE WITH HER STATEMENT?

A: No. ITC^DeltaCom's existing agreement has this option as does the Cbeyond/BellSouth Interconnection Agreement. There may be other agreements that contain this language as well. The Cbeyond language pertinent to this issue is attached as Exhibit C.

ISSUE 37: CONVERSION OF SPECIAL ACCESS TO A UNE LOOP

Q: MS. BLAKE IN HER TESTIMONY ON PAGE 9 STATES THAT "THE CONVERSION REQUIREMENTS BY THE FCC IN THE SUPPLEMENTAL ORDER CLARIFICATION APPLY ONLY TO CONVERSIONS OF SPECIAL ACCESS CIRCUITS TO LOOP AND TRANSPORT (EEL) UNE COMBINATIONS." PLEASE RESPOND.

A: With respect to the conversions of special access circuits to EELs, the FCC stated its expectation that the ASR process will be adequate to accomplish the conversion. Specifically, the FCC cautioned that "the conversion *should not* require the special access circuit to be disconnected and reconnected because only the billing information or other administrative information associated with the circuit would change when a conversion is requested."[1] The underlying logic of the FCC's analysis—that the simplest and most efficient means possible should be used to undertake circuit conversions—would seem all the more reasonable when the special access circuit in question need only be converted to a single UNE. BellSouth appears to be, once again, taking the position that unless the FCC or this Authority has explicitly spoken to the issue in question, then the most complicated, least efficient, least common-sense procedures should be adopted.

[1] Supplemental Clarification Order at ¶ 30. (emphasis added)

Additionally, attached as Exhibit D is the language in the AT&T Tennessee interconnection agreement wherein BellSouth agreed to convert an existing special access circuit to network elements and/or a combination without a disconnect and a reconnect (i.e. no outage to the consumer).

Q: DOES MS. BLAKE'S PROPOSAL REQUIRE A DISCONNECT?

A: Yes. There is no disconnect and reconnect when a special access circuit is converted to an EEL (unbundled DS1 loop + unbundled transport). The conversion to an EEL is an administrative billing change. ITC^DeltaCom's concerns are that (1) there will be an outage to the customer in converting the special access circuit to a UNE DS1 and (2) that BellSouth will charge non-recurring fees for what is essentially an administrative billing change.

Issue 57: Rates and Changes for Conversion of Customers from Special Access to UNE-Based Service

Q: MS. BLAKE STATES ON PAGE 9 OF HER TESTIMONY THAT BELLSOUTH HAS NO PROCESS TO CONVERT SPECIAL ACCESS SERVICES TO UNE. PLEASE RESPOND.

A: It is difficult to understand why the conversion process of a special access loop (DS1) to a UNE loop (DS1) is more complex than converting a special circuit involving the combination of transport and loop to an EEL. In fact we don't understand why the same processes involved with a transport and loop cut-over cannot be followed for a simple loop cut-over. BellSouth's excuse appears to be that in one case the FCC required has required them to provide EELs and in this

case they are not required to convert a special access DS1 to a UNE DS1 that goes to ITC^DeltaCom's collocation site.

Q: MS. BLAKE RECOMMENDS THAT ITC^DELTACOM SUBMIT A NBR. PLEASE RESPOND.

A: In other states, Bellsouth provided a letter BellSouth sent to AT&T as BellSouth's response to AT&T's NBR for the conversion of Special Access Loops to UNEs that go to AT&T's collocation site. That letter is attached as Exhibit E. Please understand that the DS1 from the customer premise to the collocation site is the same facility whether is it ordered as special access from BellSouth's tariff or as a UNE DS1 from the interconnection agreement. There is no difference in the facility but there is a difference in price. BellSouth's responsive letter to AT&T clearly shows ITC^DeltaCom that under the NBR process, ITC^DeltaCom would have to order another facility (a UNE DS1 facility) when there is already a facility established. What BellSouth suggests doesn't make sense for either party, so a conversion process is really the most practical way of dealing with these facilities.

The NBR response looks like an open purchase order such that BellSouth will charge AT&T for the number of orders to be written or rewritten and the time needed to coordinate internally these orders for whatever time it takes. There is no guarantee regarding customer down time or any dollar cap on the cost of conversions. In summary, I would not be surprised if the cost of the conversion per DS1 would approximate the ordering of a new UNE to replace the DS1 of

special access. ITC^DeltaCom should be permitted to convert the special access loop to a UNE loop to our collocation without taking the customer out of service. This should be an administrative change only.

Issues 44 and 46: Establishment of Trunk Groups for Operator and Emergency Services and Busy Line Verify ("BLV") and Busy Line Verify Interrupt ("BLVI")

Q: MR. RUSCILLI STATED IN HIS TESTIMONY THAT OPERATOR SERVICES AND BLV AND BLVI SERVICES SHOULD BE ORDERED OUT OF TARIFFS. PLEASE RESPOND.

A: BellSouth's tariff as it is currently written excludes CLECs and local traffic and includes IXCs and Inter-LATA traffic.

ITC^DeltaCom respectfully asks that the Authority require BellSouth to interconnect with ITC^DeltaCom for the purpose of exchanging local traffic, including local operator traffic. Currently there are two-way interconnection trunks between BellSouth and ITC^DeltaCom for operator traffic and there is no technical reason that the Parties cannot provide BLV and BLVI services. ITC^DeltaCom is one of the few CLECs with an operator service center. Additionally, ITC^DeltaCom provides operator services on a wholesale level to ILECs and other CLECs.

If BellSouth Operators are denying our customers the ability to receive important (perhaps emergency) calls from BellSouth customers, when the service is technically available, BellSouth is not treating this issue on a parity level with

their own similarly situated customers. It is my understanding that BellSouth operators will instruct the BellSouth customer who is attempting to contact the ITC^DeltaCom customer to call 911 in an emergency rather than perform BLVI. See Exhibit F – BellSouth's response to ITC^DeltaCom discovery request number 73.

The AT&T Tennessee Interconnection Agreement has the following wording in Attachment 3, section 3.13. which ITC^DeltaCom would find appropriate for our interconnection agreement, though we do not fully understand the limitations of not being able to provide these services to ported number customers.

> 3.13 Each Party shall establish procedures whereby its operator bureau will coordinate with the operator bureau of the other Party in order to provide Busy Line Verification/Busy Line Verification Interrupt ("BLV/BLVI") services on calls between their respective line side end users for numbers that are not ported.

Issue 47: Reverse Collocation

Q: MR. RUSCILLI MENTIONS ON PAGE 19 "BELLSOUTH HAS INSTALLED EQUIPMENT THAT IS BEING USED FOR THE PURPOSE OF PROVISIONING SPECIAL AND SWITCHED ACCESS SERVICES ORDER BY DELTACOM...."

A: BellSouth also utilizes these same facilities to provide services to other carriers to ITC^DeltaCom POPs. Other carriers order and pay BellSouth for local, switched and special access into our POP space. In this case, BellSouth receives the revenue for these services. Yet, BellSouth uses ITC^DeltaCom

property rent-free to gain this revenue. BellSouth is more than willing to charge collocation fees but BellSouth refuses to pay for collocation services it receives.

Q: ON THE SAME PAGE, MR. RUSCILLI MENTIONS THAT LOCAL SERVICE IS REALLY PROVISIONED ON THE "SPARE CAPACITY TO EXCHANGE LOCAL TRAFFIC WITH DELTACOM." PLEASE RESPOND.

A: I am not aware of BellSouth looking into the capacity issues except on an aggregate level. My understanding is that local service forecasts are combined with other forecasts in determining entrance facility needs. When ITC^DeltaCom forecasts entrance facilities to BellSouth, we do so on a DS3 and OC-n level. We do not identify how the DS3s or OC-n services will be utilized.

Q: MR. RUSCILLI ON PAGE 19 MENTIONS THAT "BELLSOUTH HAS NOT SPECIFICALLY REQUESTED SPACE IN A DELTACOM POP OR CENTRAL OFFICE FOR THE DELIVERY OF ITS ORIGINATED LOCAL INTERCONNECTION TRAFFIC." PLEASE RESPOND.

A: The fact that BellSouth has local services and services of other customers in ITC^DeltaCom's POP should be enough to determine that ITC^DeltaCom has the ability to charge collocation.

Q: MR. RUSCILLI STATES ON PAGE 20 THAT THE PARTIES NEVER CONSIDERED THIS EQUIPMENT AS BEING COLLOCATED. PLEASE RESPOND.

A: BellSouth settled and executed a reverse collocation agreement with ITC^DeltaCom. BellSouth now states that it never considered this equipment as collocated and thus subject to charges. Attached as Exhibit G are emails from BellSouth personnel to ITC^DeltaCom personnel requesting an amendment to the reverse collocation agreement to limit the application of collocation charges. Given BellSouth's contradictory statements and actions, ITC^DeltaCom is concerned regarding whether BellSouth signed the reverse collocation agreement and settled the 1999 arbitration issue in good faith. Bellsouth is using ITC^DeltaCom property for local interconnection and to earn revenue from ITC^DeltaCom's competitors on a rent-free basis. On the other hand, ITC^DeltaCom has to pay BellSouth significant collocation charges when it utilizes BellSouth property.

ITC^DeltaCom requests the Authority to rule that if BellSouth is utilizing ITC^DeltaCom facilities for local interconnection and/or to realize revenue BellSouth receives from other carriers, then BellSouth should compensate ITC^DeltaCom for ITC^DeltaCom's resources used in this situation. The compensation methodology is the rates and charges in the interconnection agreements that have been ordered by the Authority.

In summary, ITC^DeltaCom has collocation space with BellSouth that we utilize to hand-off services ordered from BellSouth and ITC^DeltaCom pays BellSouth for collocation space to utilize BellSouth services, some of which are special and

switched access services. We are simply asking for parity with regard to this issue. BellSouth should not be permitted to use ITC^DeltaCom property for free.

Q: DOES THIS CONCLUDE YOUR TESTIMONY?

A: Yes.

EXHIBIT A

Nanette Edwards 05/28/2003 05:49 PM

To: Steve Brownworth/DeltaCom
cc: Nanette Edwards/DeltaCom@DeltaCom
Subject: Re: CLEC ordering to another CLEC collocation resource

Steve Brownworth

[redacted] 05/19/2003 03:09 PM

---- Forwarded by Steve Brownworth/DeltaCom on 05/19/2003 04:14 PM ----

[redacted] **Steve Brownworth** 04/06/2003 12:16 PM

To: van.cooper@bellsouth.com
cc: Steve D Moses/DeltaCom@DeltaCom
Subject: CLEC ordering to another CLEC collocation resource

Thank-you for meeting with me and looking into the issue of a third-party CLEC, with LOA, ordering BellSouth facilities into our collocation site. It is our understanding of BellSouth's position that we have a choice of ordering the UNEs ourselves for the other CLEC or that the other CLEC, with a LOA, can order special access services into our collocation. It is this second option in which we would like further clarification.

Is the fact that a CLEC, with a LOA, can not order UNEs into another CLECs collocation a policy or regulatory issue and can you be as specific as possible. The reason for being specific is we do not understand why a carrier, with a LOA, can order special access into our collocation space. However, the same carrier, with the same LOA, ordering what is the equivalent same service UNEs can not order those facilities into our collocation.

Not only do we need to have a better understanding of why a LOA is not sufficient for a carrier to order UNEs into our collocation space, but we need to have an understanding of the steps ITC^DeltaCom needs to take that will allow a CLEC to process their own UNE orders into our collocation space.

I'll make myself available to discuss, but will still expect BellSouth's position on this situation be returned to me in writing.

Steve Brownworth
ITC^DeltaCom
706-385-8070

EXHIBIT
1 A

BROWNWORTH

EXHIBIT B

NEWS

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

News media information 202 / 418-0500
TTY 202 / 418-2555
Fax-On-Demand 202 / 418-2830
Internet: http://www.fcc.gov
ftp.fcc.gov

FOR IMMEDIATE RELEASE:
February 20, 2003

NEWS MEDIA CONTACT:
Michael Balmoris 202-418-0253
Email: mbalmori@fcc.gov

FCC ADOPTS NEW RULES FOR NETWORK UNBUNDLING OBLIGATIONS OF INCUMBENT LOCAL PHONE CARRIERS

Greater Incentives for Broadband Build-Out and Greater Granularity in Determining Unbundled Network Elements Are Key Commission Actions

Washington, D.C. – The Federal Communications Commission (Commission) today adopted rules concerning incumbent local exchange carriers' (incumbent LECs) obligations to make elements of their networks available on an unbundled basis to new entrants. The new framework provides incentives for carriers to invest in broadband network facilities, brings the benefits of competitive alternatives to all consumers, and provides for a significant state role in implementing these rules.

Today's action resolves various local phone competition and broadband competition issues and addresses a May 2002 decision by the U.S. Court of Appeals for the District of Columbia which overturned the Commission's previous Unbundled Network Elements (UNE) rules. Following is a brief summary of the key issues resolved in today's decision (a more detailed summary of today's action is attached):

1. **Impairment Standard** – A requesting carrier is impaired when lack of access to an incumbent LEC network element poses a barrier or barriers to entry, including operational and economic barriers, which are likely to make entry into a market uneconomic. Such barriers include scale economies, sunk costs, first-mover advantages, and barriers within the control of the incumbent LEC. The Commission's unbundling analysis specifically considers market-specific variations, including considerations of customer class, geography, and service.

2. **Broadband Issues** – The Commission provides substantial unbundling relief for loops utilizing fiber facilities: 1) the Commission requires no unbundling of fiber-to-the-home loops; 2) the Commission elects not to unbundle bandwidth for the provision of broadband services for loops where incumbent LECs deploy fiber further into the neighborhood but short of the customer's home (hybrid loops), although requesting carriers that provide broadband services today over high capacity facilities will continue to get that same access even after this relief is granted, and 3) the Commission will no longer require that line-sharing be available as an unbundled element. The Commission also provides clarification on its UNE pricing rules that will send appropriate economic signals to carriers.

3. **Unbundled Network Element Platform (UNE-P) Issue** – The Commission finds that switching - a key UNE-P element - for business customers served by high-capacity loops such as DS-1 will no longer be unbundled based on a presumptive finding of no impairment. Under this framework, states will have 90 days to rebut the national finding. For mass market customers, the Commission sets out specific criteria that states shall apply to determine, on a granular basis, whether economic and operational impairment exists in a particular market. State Commissions must complete such proceedings within 9 months. Upon a state finding of no impairment, the Commission sets forth a 3 year period for carriers to transition off of UNE-P.

4. **Role of States** – The states have a substantial role in applying the Commission's impairment standard according to specific guidelines tailored to individual elements.

5. **Dedicated transport** – The Commission finds that requesting carriers are not impaired without Optical Carrier (or OCn) level transport circuits. However, the Commission finds that requesting carriers are impaired without access to dark fiber, DS3, and DS1 capacity transport, each independently subject to a route-specific review by states to identify available wholesale facilities. Dark fiber and DS3 transport also each are subject to a route-specific review by the states to identify where competing carriers are able to provide their own facilities.

With today's action, the Commission also opened a Further Notice of Proposed Rulemaking (FNPRM) seeking comment on whether the Commission should modify the so-called pick-and-choose rule that permits requesting carriers to opt into individual portions of interconnection agreements without accepting all the terms and conditions of such agreements.

Action by the Commission February 20, 2003, by Report and Order and Further Notice of Proposed Rulemaking (FCC 03-36). Chairman Powell approving in part and dissenting in part, Commissioner Abernathy approving in part and dissenting in part, Commissioner Copps concurring in part and dissenting in part, Commissioner Martin approving, and Commissioner Adelstein concurring in part and dissenting in part. Chairman Powell, Commissioners Abernathy, Copps, Martin, and Adelstein issuing separate statements.

-FCC-

Docket No.: CC 01-338

Wireline Competition Bureau Staff Contact: Tom Navin at 202-418-1580.

ATTACHMENT TO TRIENNIAL REVIEW PRESS RELEASE

Order on Remand

- Local Circuit Switching – The Commission finds that switching - a key UNE-P element - for business customers served by high-capacity loops such as DS-1 will no longer be unbundled based on a presumptive finding of no impairment. Under this framework, states will have 90 days to rebut the national finding. For mass market customers, the Commission sets out specific criteria that states shall apply to determine, on a granular basis, whether economic and operational impairment exists in a particular market. State Commissions must complete such proceedings (including the approval of an incumbent LEC batch hot cut process) within 9 months. Upon a state finding of no impairment, the Commission sets forth a 3 year period for carriers to transition off of UNE-P.

- Packet Switching – Incumbent LECs are not required to unbundle packet switching, including routers and DSLAMs, as a stand-alone network element. The order eliminates the current limited requirement for unbundling of packet switching.

- Signaling Networks – Incumbent LECs are only required to offer unbundled access to their signaling network when a carrier is purchasing unbundled switching. The signaling network element, when available, includes, but is not limited to, signaling links and signaling transfer points.

- Call-Related Databases – When a requesting carrier purchases unbundled access to the incumbent LEC's switching, the incumbent LEC must also offer unbundled access to their call-related databases. When a carrier utilizes its own switches, with the exception of 911 and E911 databases, incumbent LECs are not required to offer unbundled access to call-related databases, including, but not limited to, the Line Information database (LIDB), Toll Free Calling database, Number Portability database, Calling Name (CNAM) database, Operator Services/Directory Assistance databases, and the Advanced Intelligent Network (AIN) database.

- OSS Functions – Incumbent LECs must offer unbundled access to their operations support systems for qualifying services. OSS consists of pre-ordering, ordering, provisioning, maintenance and repair, and billing functions supported by an incumbent LEC's databases and information. The OSS element also includes access to all loop qualification information contained in any of the incumbent LEC's databases or other records.

- Loops

  - Mass Market Loops

    - Copper Loops – Incumbent LECs must continue to provide unbundled access to copper loops and copper subloops. Incumbent LECs may not retire any copper loops or subloops without first receiving approval from the relevant state commission.

* Line Sharing – The high frequency portion of the loop (HFPL) is not an unbundled network element. Although the Order finds general impairment in providing broadband services without access to local loops, access to the entire stand-alone copper loop is sufficient to overcome impairment. During a three-year period, competitive LECs must transition their existing customer base served via the HFPL to new arrangements. New customers may be acquired only during the first year of this transition. In addition, during each year of the transition, the price for the high-frequency portion of the loop will increase incrementally towards the cost of a loop in the relevant market.

* Hybrid Loops – There are no unbundling requirements for the packet-switching features, functions, and capabilities of incumbent LEC loops. Thus, incumbent LECs will *not* have to provide unbundled access to a transmission path over hybrid loops utilizing the packet-switching capabilities of their DLC systems in remote terminals. Incumbent LECs must provide, however, unbundled access to a voice-grade equivalent channel and high capacity loops utilizing TDM technology, such as DS1s and DS3s.

* Fiber-to-the-Home (FTTH) Loops – There is no unbundling requirement for new build/greenfield FTTH loops for both broadband and narrowband services. There is no unbundling requirement for overbuild/brownfield FTTH loops for broadband services. Incumbent LECs must continue to provide access to a transmission path suitable for providing narrowband service if the copper loop is retired.

- Enterprise Market Loops

  * The Commission makes a national finding of no impairment for OCn capacity loops.

  * The Commission makes a national finding of impairment for DS1, DS3, and dark fiber loops, except where triggers are met as applied in state proceedings. States can remove DS1, DS3, and dark fiber loops based on a customer location-specific analysis applying a wholesale competitive alternatives trigger.

  * Dark fiber and DS3 loops also each are subject to a customer location-specific review by the states to identify where loop facilities have been self-deployed.

- Subloops

  * See the copper loops summary above. In addition, incumbent LECs must offer unbundled access to subloops necessary for access to wiring at or near a multiunit customer premises, including the Inside Wire Subloop, regardless of the capacity level or type of loop the requesting carrier will provision to its customer.

- Network Interface Devices (NID) – Incumbent LECs must offer unbundled access to the NID, which is defined as any means of interconnecting the incumbent LEC's loop distribution plant to the wiring at the customer premises.

- Dedicated Interoffice Transmission Facilities – The Commission redefines dedicated transport to include only those transmission facilities connecting incumbent LEC switches or wire centers.

  - The Commission finds that requesting carriers are not impaired without access to unbundled OCn level transport.

  - The Commission finds that requesting carriers are impaired without access to dark fiber, DS3, and DS1 transport, except where wholesale facilities triggers are met as applied in state proceedings using route-specific review.

  - Dark fiber and DS3 transport also each are subject to a granular route-specific review by the states to identify where transport facilities have been self-deployed.

- Shared Transport – Incumbent LECs are required to provide shared transport to the extent that they are required to provide unbundled local circuit switching

- Combinations of Network Elements – Competitive LECs may order new combinations of UNEs, including the loop-transport combination (enhanced extended link, or EEL), to the extent that the requested network element is unbundled.

- Commingling – Competitive LECs are permitted to commingle UNEs and UNE combinations with other wholesale services, such as tariffed interstate special access services.

- Service Eligibility – Service eligibility criteria apply to all requests for newly-provisioned high-capacity EELs and for all requests to convert existing circuits of combinations of high-capacity special access channel termination and transport services. These criteria include architectural safeguards to prevent gaming.

  - Certification – Each carrier must certify in writing to the incumbent LEC that it satisfies the qualifying service eligibility criteria for each high-capacity EEL circuit.

  - Auditing – Incumbent LECs may obtain and pay for an independent auditor to audit compliance with the qualifying service eligibility criteria for high-capacity EELs. The incumbent LEC may not initiate more than one audit annually.

- Modification of Existing Network/"No Facilities" Issues – Incumbent LECs are required to make routine network modifications to UNEs used by requesting carriers where the requested facility has already been constructed. These routine modifications include deploying mutliplexers to existing loop facilities and undertaking the other activities that incumbent LECs make for their own retail customers. The Commission also requires incumbent LECs to condition loops for the provision of xDSL services. The Commission

does not require incumbent LECs to trench new cable or otherwise to construct transmission facilities so that requesting carriers can access them as UNEs at cost-based rates, but it clarifies that the incumbent LEC's unbundling obligation includes all transmission facilities deployed in its network.

- Section 271 Issues – The requirements of section 271(c)(2)(B) establish an independent obligation for BOCs to provide access to loops, switching, transport, and signaling, under checklist items 4-6 and 10, regardless of any unbundling analysis under section 251. Where a checklist item is no longer subject to section 251 unbundling, section 252(d)(1) does not operate as the pricing standard. Rather, the pricing of such items is governed by the "just and reasonable" standard established under sections 201 and 202 of the Act.

- Clarification of TELRIC Rules – The order clarifies two key components of its TELRIC pricing rules to ensure that UNE prices send appropriate economic signals to incumbent LECs and competitive LECs. First, the order clarifies that the risk-adjusted cost of capital used in calculating UNE prices should reflect the risks associated with a competitive market. The order also reiterates the Commission's finding from the *Local Competition Order* that the cost of capital may be different for different UNEs. Second, the Order declines to mandate the use of any particular set of asset lives for depreciation, but clarifies that the use of an accelerated depreciation mechanism may present a more accurate method of calculating economic depreciation.

- Fresh Look – The Commission will retain its prior determination that it will not permit competitive LECs to avoid any liability under contractual early termination clauses in the event that it converts a special access circuit to an UNE.

- Transition Period – The Commission will not intervene in the contract modification process to establish a specific transition period for each of the rules established in this Order. Instead, as contemplated in the Act, individual carriers will have the opportunity to negotiate specific terms and conditions necessary to translate the Commission's rules into the commercial environment, and to resolve disputes over any new contract language arising from differing interpretations of the Commission's rules.

- Periodic Review of National Unbundling Rules – The Commission will evaluate these rules consistent with the biennial review mechanism established in section 11 of the Act. These reviews, however, will not be performed *de novo* but according to the standards of the biennial review process.

Further Notice of Proposed Rulemaking

- The Commission opens a further notice of proposed rulemaking to seek comment on whether to modify the Commission's interpretation of section 252(i) – the Commission's so-called pick-and-choose rule. The Commission tentatively concludes that a modified approach would better serve the goals embodied in section 252(i), and sections 251-252 generally, by promoting more meaningful commercial negotiations between incumbent LECs and competitive LECs.

BROWNWORTH

EXHIBIT C

AMENDMENT
TO THE
AGREEMENT BETWEEN
CBEYOND COMMUNICATIONS, LLC
AND
BELLSOUTH TELECOMMUNICATIONS, INC.
DATED NOVEMBER 10, 2000

This Agreement, (the "Agreement") is made by and between Cbeyond Communications, LLC ("Cbeyond"), a Delaware corporation and BellSouth Telecommunications, Inc. ("BellSouth"), a Georgia corporation, and shall be deemed effective as of the date of the last signature of both Parties ("Effective Date"). This Agreement may refer to either BellSouth or Cbeyond or both as a "Party" or "Parties".

WHEREAS, The Parties desire to amend that certain Interconnection Agreement between BellSouth and Cbeyond dated November 10, 2000 (the "Interconnection Agreement") in order to incorporate rates, terms and conditions for ordering DS1 Combinations ordered via an ASR as outlined in the Settlement Agreement executed by the Parties in Docket No. 14642-U dated February 6, 2002;

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 Cbeyond and BellSouth is hereby amended to delete Section 2.1 of Attachment 6 in its entirety and replace it with new Section 2.1 and subsections of Attachment 6 as follows:

2.1 BellSouth shall provide Cbeyond access to several operations support systems. Access to these support systems is available through a variety of means, including electronic interfaces. BellSouth also provides the option of placing orders manually (e.g., via facsimile) through the Local Carrier Service Center. The Parties shall work together in the Commission's Improvement Task Force ordered in Docket No. 7892-U to increase electronic ordering and flow-through for complex and manually ordered services. In addition, on an interim basis Cbeyond shall be entitled to order the following DS1 Combinations using the electronic Access Service Request ("ASR") process in the state of Georgia; (1) DS1 loop and DS1 interoffice transport, (2) DS1 loop to multiplexing terminating into collocation; and (3) DS1 loop to multiplexing connected to DS3 interoffice transport terminating into collocation (hereinafter referred to collectively as "DS1 Combinations").

2.1.1 Cbeyond agrees that the interim ASR process will not be used to order DS1 Combinations to the extent a Service Inquiry is required for DS1 Combinations. A Service Inquiry will not be required for DS1 Combinations where Cbeyond provides the CFA, if the CFA is part of an existing DS3 system that has been ordered specifically for combinations of unbundled network elements.

2.1.2 The Parties agree that for purposes of the applicable ordering performance measurements adopted in Docket No. 7892, all DS1 Combinations ordered by Cbeyond via the ASR process will be treated as "Non-Mechanized," including benchmarks and performance reporting.

EXHIBIT D

All audits shall be conducted by a third party independent auditor, and AT&T and the FCC shall be given thirty (30) days written notice of scheduled audit. Such audit shall occur no more than one time in a calendar year, unless results of an audit find noncompliance with the significant amount of local exchange service requirement. In the event of noncompliance, AT&T shall reimburse BellSouth for the cost of the audit. If, based on its audits, BellSouth concludes that AT&T is not providing a significant amount of local exchange traffic over the combinations of loop and transport network elements, BellSouth may file a complaint with the appropriate Commission, pursuant to the dispute resolution process as set forth in the Interconnection Agreement. In the event that BellSouth prevails, BellSouth may convert such combinations of loop and transport network elements to special access services and may seek appropriate retroactive reimbursement from AT&T.

2.11.8 The Parties further acknowledge that on a going forward basis, AT&T may purchase additional special access service under BellSouth's applicable tariffs and convert such special access circuits to EELs, pursuant to the terms of this Agreement, subject to such circuits meeting the local usage options of this Section 2.11, and subject to the termination provisions in the applicable tariffs, if any.

2.11.8.1 BellSouth may only assess termination liability charges consistent with its relevant tariffs and contracts to which it and AT&T have agreed. .

2.11.8.2 A volume and term contract is terminated only when AT&T fails to meet its volume and term commitments.

2.11.8.3 For the state of TN only, a volume and term commitment may be fulfilled through the purchase of special access or UNEs.

2.11.9 When an existing special access service circuit employed by AT&T is converted to Network Elements and/or Combination, BellSouth shall not disconnect and re-connect the elements. When combinations of loop and transport network elements include multiplexing, each of the individual DS1 circuits must meet the above criteria.

2.11.10 Conversion of Service As Is

2.11.10.1 AT&T may request conversion of existing retail services to non-switched combinations of unbundled network elements by submitting an LSR or a conversion spreadsheet, provided by BellSouth, to the LCSC for record changes. For the conversion of retail services to switched combinations, AT&T may request such conversions on a single LSR for all services billed

EXHIBIT E

BELLSOUTH

BellSouth Telecommunications
Interconnection Services
675 W. Peachtree Street NE
Room 34S91
Atlanta, GA 30375

Shelley P. Walls
Manager – Regulatory and Policy Support

(404) 927-7511
Fax (404) 529-7839
e-mail: shelley.walls@bellsouth.com

September 11, 2002

VIA ELECTRONIC MAIL

Ms. Denise Berger
Operations AVP – Local Supplier Management
AT&T
Room 12256
1200 Peachtree Street NE
Atlanta, GA 30309

Dear Denise:

This is in response to your letter dated August 30, 2002, regarding the conversion of special access circuits to Unbundled Network Elements (UNE). First, let me state that I am surprised by the adversarial tone of your letter given that we have had one conversation regarding this issue. Further, I am concerned by your interpretation of that conversation. BellSouth disagrees with a large portion of the statements in your letter regarding BellSouth's position, beginning with your characterization of AT&T's requested service as currently combined UNEs, when in fact, AT&T's request is for single uncombined network elements. This response will follow the structure of your letter.

Pricing and Conversion Process
The Federal Communications Commission (FCC) has never mandated anything regarding conversions of standalone special access services. Your reference to the Supplemental Order Clarification is irrelevant as it did not deal with combinations of loop and transport network elements, nor does the reasoning of that order apply to this situation. By definition, there is nothing for a standalone element to be separated from and AT&T clearly could have ordered these circuits initially as UNEs rather than attempting to convert them now.

BellSouth has no process to "convert" standalone special access services to UNEs. BellSouth has simply proposed, at AT&T's request, a process to facilitate the replacement of existing special access services with UNEs in such a way as to minimize disruption of service to AT&T's end users. Your statement that AT&T's request was nothing more than a simple change from one billing platform to another is incorrect. Three orders for each circuit are required to accomplish AT&T's request. The first order updates the circuit identification (ID) record in the Trunks Integrated Record Keeping System (TIRKS). When a trouble is reported, the BellSouth technician will locate the circuit in TIRKS and begin the trouble resolution process. A disconnect order must be

issued to remove the special access service from BellSouth's access services billing, maintenance, and other record-keeping systems, and a new order must be issued to place the UNE into the UNE billing, maintenance, and other record-keeping systems. As you are aware, AT&T is able to do this itself. There is no means for either AT&T or BellSouth to relate the orders automatically; in order to minimize end user disruptions, the two sets of orders will have to be manually "related" at every step. A hot cut is not analogous as it simply requires coordination between one person at AT&T and one person at BellSouth on a single order. The process requested by AT&T requires the coordination of at least one person at AT&T, at least two of BellSouth's centers, and the central office personnel to complete two orders for each circuit. AT&T is requesting this for more than 100 circuits.

The pricing provided to AT&T in June 2002 reflects reasonable rates for the work involved in BellSouth, such as issuing the orders and project managing the process so that the orders, which flow through entirely different sets of systems, are worked together. BellSouth has a standard Professional Services offering for writing and processing orders [$175 per Local Service Request (LSR) and Access Service Request (ASR)] and standard project management hourly fees. There are cost studies to support these offerings, and BellSouth based its quote to AT&T on these studies and its experience with other projects in estimating the amount of time needed to complete AT&T's request. Again, these rates are not TELRIC rates, but are market rates, as BellSouth is in no way obligated to provide the conversion requested by AT&T.

Billing
BellSouth's response is consistent with all orders that BellSouth processes. The billing does not change until the order effectuating the billing is completed.

BellSouth has in no way been intransigent nor is there any reason to suggest that BellSouth has acted in any way other than in accordance with its obligations under the Interconnection Agreement. BellSouth's records indicate that AT&T submitted a request to convert special access circuits in Georgia to UNE/loop only circuits via an e-mail dated April 12, 2002, which is the first record BellSouth has of AT&T's effort to accomplish this project. On April 29, 2002, BellSouth replied to AT&T's April 12 e-mail advising that the spreadsheet AT&T had attached to its e-mail was not the appropriate method to request such a conversion. The April 29 letter also stated that AT&T's request was for a business process that is not currently offered by BellSouth and that a New Business Request (NBR) was required. When BellSouth did not hear from AT&T, the BellSouth Local Contract Manager, on behalf of AT&T, submitted the request into the BellSouth NBR process. On June 24, 2002, BellSouth replied to the NBR with a proposal outlining the necessary steps and the terms and conditions under which BellSouth would be willing to perform the professional services that AT&T requested. The charges for the project were provided to AT&T on June 26, 2002. AT&T did not respond to BellSouth's offer until August 15, 2002. Attachment 10, Section 1.6 of AT&T's Interconnection Agreement clearly states that BellSouth will proceed beyond providing the preliminary analysis when AT&T provides a written notice to proceed. AT&T has not provided such a notice to date.

Ongoing Conversions
This is not an on-going process. For each circuit, order writing, coordination, and project management will have to occur. This is not something that can be turned into a routine, automated process without a substantial amount of time and money involved. As was explained, the structure of the charges for each request would be approximately the same, barring any unforeseen circumstances. If AT&T requests a substantially similar service for similarly situated circuits, the rates that you have been quoted would apply. To the extent that the work required is the same and the cost for the inputs are the same,

the rates and terms would be the same. However, the rates may be different in different states due to the configuration, different ordering charges and different cost of labor, for example.

Additionally, there is no reason that this should be an on-going process. AT&T is free to order the service it desires for the long term and should do so on a going-forward basis.

Sincerely,

Shelley P. Walls
Manager – Regulatory and Policy Support
Interconnection Services

F ATT
08/30/02

EXHIBIT F

BellSouth Telecommunications, Inc.

Alabama Public Service Commission
Docket No. 28841
ITC^DeltaCom's First Set of Interrogatories
April 4th, 2003
Item No. 73
Page 1 of 1

REQUEST: Describe or explain how BellSouth's operator will reach a ITC^DeltaCom operator or customer in an emergency situation and in a busy line interrupt or busy line verification situation.

RESPONSE: When the BellSouth operator receives an emergency request from a customer, the BellSouth operator asks the customer for the city, checks the operator records for the appropriate agency number or connects the customer to directory assistance for the appropriate number and then connects the customer to that agency. The BellSouth operator stays on the line to ensure that the agency is reached.

Busy line interrupt and busy line verification service is an optional service provided to ITC^Deltacom via BellSouth tariff. BellSouth does not subscribe to busy line interrupt or busy line verification service from ITC^Deltacom and BellSouth operators have no provision to contact ITC^Deltacom operators for this service. When a request is received to verify or interrupt an ITC^Deltacom number, the BellSouth operator advises the customer that this is not a number he or she is able to verify or interrupt.

EXHIBIT G

James Pearsall
06/02/2003 04:55 PM

To: Nanette Edwards
cc:
Subject: DeltaCom/BellSouth Rev Collo Amendment

----- Forwarded by James Pearsall/DeltaCom on 06/02/2003 04:58 PM -----

Michelle.Culver@bridge.bellsouth.com on 02/25/1999 10:33:14 AM

To: Thomas Hyde/DeltaCom
cc: David.Thierry@bridge.bellsouth.com
Subject: DeltaCom/BellSouth Amendment

Dear Tom:

Attached please find a draft of the Collocation Amendment between DeltaCom and BellSouth for clarification of charges based on the percentage of equipment capacity used for Local Interconnection. Please contact me after your review and I will overnight two executable copies of the amendment for signature.

Thank you,
Michelle Culver
404-927-1374

- REVCOL#1.DOC