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March 28, 2006

VIA HAND DELIVERY

Filed Electronically in Docket Office on 03/28/06

Hon. Ron Jones, Chairman Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37238

Re: Petition of MCImetro Access Transmission Services, LLC for Arbitration of Certain Terms And Conditions of Proposed Agreement with BellSouth Telecommunications, Inc. Concerning Interconnection and Resale Under the Telecommunications Act of 1996

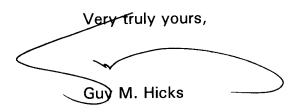
Docket No. 05-00231

Dear Chairman Jones:

Enclosed are the original and four paper copies of Direct Testimony on behalf of BellSouth by the following witnesses:

Shelley Decker Pamela Tipton.

An electronic version of the testimony is being provided to the Authority and counsel of record.



GMH:ch

CERTIFICATE OF SERVICE

I hereby certify that on March 28, 2006, a copy of the foregoing document was served on the following, via the method indicated:

 [] Hand [] Mail [] Facsimile [] Overnight [] Electronic 	James L. Murphy III Boult, Cummings, et al. 1600 Division Street, Suite 700 P.O. Box 340025 Nashville, TN 37203 jmurphy@boultcummings.com
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1		BELLSOUTH TELECOMMUNICATIONS, INC.
2		DIRECT TESTIMONY OF SHELLEY L. DECKER
3		BEFORE THE TENNESSEE REGULATORY AUTHORITY
4		DOCKET NO. 05-00231
5		MARCH 28, 2006
6		
7	Q.	PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH
8		TELECOMMUNICATIONS, INC. ("BELLSOUTH"), AND YOUR
9		BUSINESS ADDRESS.
10		
11	A.	My name is Shelley L. Decker. I am employed by BellSouth as Senior
12		Product Manager for Interconnection Services. My business address is
13		675 West Peachtree Street, Atlanta, Georgia 30375.
14		
15	Q.	PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.
16		
17	A.	I graduated from Auburn University in Auburn, Alabama, in 1999, with a
18		Bachelor of Science in Business Administration. I began employment
19		with BellSouth in 2000 in the Interconnection Services Organization as
20		a Contract Negotiator. I moved to a position in product management in
21		this same organization and now work as a Senior Product Manager for
22		Local Interconnection and Switched Access products. In this position,
23		am responsible for development of intercarrier compensation strategy

1		and initiatives, as well as overseeing lifecycle management of certain
2		Local Interconnection and Switched Access products.
3		
4	Q.	WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?
5		
6	A.	The purpose of my testimony is to provide BellSouth's position on
7		Issues 21 and 22 as described in the Petition for Arbitration, filed, with
8		the Tennessee Regulatory Authority ("Authority" or "TRA") by MCImetro
9		Access Transmission Services, LLC ("MCI" or "MCImetro").
10		
11 12 13 14	BellS entiti	e 21: For intraLATA toll traffic originated by an ICO, carried over South's network and then terminated by MCI: A) what rate is MCI led to charge BellSouth, if at all and B) what records should be used Il BellSouth?
16	Q.	CAN YOU PLEASE DESCRIBE THE RELATIONSHIP BETWEEN
17		BELLSOUTH AND THE TENNESSEE ICOS WITH RESPECT TO
18		INTRALATA TOLL TRAFFIC?
19		
20	A.	Yes. BellSouth and twenty-four (24) Tennessee Independent
21		Companies ("ICOs") exchange intraLATA toll traffic pursuant to a
22		Primary Carrier Plan ("PCP"). Under the PCP, BellSouth functions as
23		the intraLATA toll provider for traffic originated by certain PCP ICO end
24		users. In doing so, BellSouth pays the PCP ICO originating switched
25		access and the PCP ICO bills and collects intraLATA toll charges from

its end user and passes this revenue to BellSouth. Thus, under the PCP, where the end user has not selected another toll provider, BellSouth acts as the intraLATA toll provider for ICO end users with BellSouth (1) receiving toll revenue from the PCP ICO end user pursuant to BellSouth's intraLATA toll tariff rates; and (2) compensating the originating PCP ICO for the call pursuant to the PCP ICO's originating switched access rates.

Q. DO ALL PCP ICO END USERS SELECT BELLSOUTH AS THEIR
 INTRALATA TOLL PROVIDER?

- A. No. An ICO could remain a PCP participant, yet could have few, if any, end users who utilize BellSouth's intraLATA toll services. This is so because many interexchange carriers, including MCI, provide both interLATA and intraLATA toll services in ICO territory. Accordingly, a single PCP ICO may generate a substantial number of MOUs that BellSouth transits to MCI as local traffic, and only a small number of MOUs for which BellSouth acts as a toll provider. Thus, the fact that an ICO remains a PCP participant does not mean that all ICO originated traffic delivered to MCI from BellSouth is toll traffic.
- 21 Q. CAN YOU PLEASE DESCRIBE SUBPART (A) OF THE ISSUE?

23 A. Yes. The issue relates to the rate that MCI can bill BellSouth for ICO

end user traffic switched and transported by BellSouth to MCI for termination. When BellSouth is the intraLATA toll provider pursuant to the PCP, the Parties agree that MCI should bill BellSouth the appropriate terminating switched access rate pursuant to MCI's tariff. However, MCI also wants to charge BellSouth access charges even when BellSouth is not the intraLATA toll provider.

8 Q. WHAT IS BELLSOUTH'S POSITION AS TO SUBPART (A)?

Α.

MCI should only charge BellSouth terminating switched access when BellSouth is the toll provider for a particular ICO end user pursuant to the PCP. When BellSouth is not the toll provider and is simply transiting the call from the ICO to MCI, MCI should not charge BellSouth anything. Indeed, if BellSouth is transiting a PCP ICO end user call for which toll charges were not billed to the end user, such a call would be local in nature (either mandatory extended area service or optional area calling plan service). Accordingly, MCI must seek any compensation for terminating the call directly from the ICO for non PCP-traffic. BellSouth provides industry standard call detail records to MCI that identifies the ICO in such a scenario.

Q. CAN YOU PLEASE DESCRIBE THE SUBPART (B) OF THE ISSUE?

1 A. The Parties disagree as to whether MCI's switch recordings provide
2 MCI with adequate information to determine the volume of ICO
3 originated and MCI terminated minutes for which BellSouth acted as the
4 intraLATA toll provider pursuant to the PCP.

6 Q. WHAT IS BELLSOUTH'S POSITION AS TO SUBPART (B)?

A. MCI should use the records and toll traffic ratio provided by BellSouth to bill BellSouth for intraLATA toll traffic originated by a PCP ICO end user and terminated to MCI. The records and ratio that BellSouth provides assist the CLEC in determining when BellSouth is actually the toll provider pursuant to the PCP. MCI switch recordings alone are not sufficient to generate this information.

Q. HOW DO THE RECORDS AND RATIO ASSIST MCI IN CORRECTLY BILLING BELLSOUTH?

Α.

The records provide MCI with the number of minutes of use ("MOUs") originated by ICOs, transited by BellSouth, and terminated by MCI. The ratio is established by comparing the total MOUs generated by an ICO with the percentage of these MOUs billed by the ICO to BellSouth as intraLATA toll under the PCP. Accordingly, with the ratio, the parties can determine what percentage of the total MOUs originated by the ICO

and terminated by MCI is toll traffic subject to access charges. Thus, use of BellSouth's records and ratio will assure that BellSouth will compensate MCI at its terminating access rate for intraLATA toll calls and not for local calls where BellSouth merely acts as a transit provider.

Issue 22: How should FX-like or VNXX services offered by MCI to its customers be treated for intercarrier compensation purposes? If this traffic is not local, how should it be identified and what rates apply to it?

Q. WHAT IS MCI'S POSITION AND CAN YOU COMMENT?

Α.

MCI's most recent position as set forth in the revised Issues Matrix filed on March 3, 2006, is that compensation for VNXX services is currently at the FCC and that "MCI will not challenge any established state policy of applying reciprocal compensation...to VNXX traffic." MCI requests that the Authority "implement the same kind of compensation approach major ILECs and CLECs have themselves agreed upon." MCI further suggests the application of a single rate to both Local and ISP-bound VNXX traffic. Thus, while not entirely clear, it appears that MCI argues that, where a state commission has issued an order that complies with MCI's position, i.e., that reciprocal compensation applies to VNXX traffic, MCI will not object. In situations where a state Authority has issued an order that is contrary to MCI's position, however, MCI wants to implement an unknown approach that unidentified "major ILECs and

1		CLECs" have allegedly already agreed upon.
2		
3	Q.	WHAT IS BELLSOUTH'S POSITION ON THIS ISSUE?
4		
5	A.	BellSouth's position is that, regardless of the telephone number that
6		MCI assigns to its end user, access charges, not reciprocal
7		compensation, should apply to calls that originate and terminate in two
8		(2) different LATAs.
9		
10	Q.	WHAT PROPOSAL HAS BELLSOUTH MADE TO IDENTIFY THESE
11		CALLS FOR COMPENSATION PURPOSES?
12		
13	A.	BellSouth proposed that MCI identify the minutes that are originating
14		from or terminating to telephone numbers assigned by MCI to end
15		users outside the associated LATA.
16		
17	Q.	WHY IS IDENTIFICATION OF SUCH CALLS AND MINUTES
18		NEEDED?
19		
20	A.	The requested identification of the minutes is necessary so that
21		BellSouth will not pay reciprocal compensation for non-local calls to
22		MCI and will receive switched access charges from MCI that BellSouth
23		is due for interLATA toll calls. Without MCI performing the requested

1	identification, BellSouth has no way to determine the actual originating
2	location of the call for intercarrier compensation purposes.

Q. HAS THIS AUTHORITY ADDRESSED THIS ISSUE?

A. Yes. The Authority ruled¹ that access charges should apply to Virtual NXX traffic. Specifically, the TRA stated, "that calls to an NPA/NXX in a local calling area outside the local calling area where the NPA/NXX is homed shall be treated as intrastate, interexchange toll traffic for purposes of intercamer compensation and, therefore, are subject to access charges."

Q. HAVE OTHER COMMISSIONS IN BELLSOUTH'S REGION ADDRESSED THIS ISSUE AND, IF SO, WHAT WAS ORDERED?

A. Yes. The Georgia Public Service Commission ("GPSC") ruled that the jurisdiction of virtual NXX or virtual FX traffic should be determined by the physical end points of the call and not based on the NPA/NXX assigned to the call. Additionally, the GPSC ruled that reciprocal compensation should not apply to Virtual FX traffic because these calls

¹ Petition for Arbitration of the Interconnection Agreement Between BellSouth Telecommunications, Inc. and Intermedia Communications, Inc. Pursuant to Section 252(b) of the Telecommunications Act of 1996, Docket No. 99-00948, Interim Order of Arbitration Award, page 44. (June 25, 2001).

are terminated in different local calling areas.² Specifically, the GPSC stated, in pertinent part:

Determining the nature of Virtual FX traffic based on the physical location of the callers is consistent with the end-to-end analysis endorsed by the FCC. The FCC has stated that "both court and [FCC] decisions have considered the end-to-end nature of the communications more significant than the facilities used to complete such communications." [citations omitted]. Application of an end-to-end analysis to Virtual FX calls focuses on this traffic traveling between local calling areas, and leads to a conclusion that reciprocal compensation is not due for these calls.

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The Florida Public Service Commission ("FPSC") has already addressed this issue and determined that the end points of the call should determine jurisdiction and that reciprocal compensation should not apply to interLATA virtual NXX traffic. Specifically, the FPSC stated, in pertinent part:

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In addition, we find that intercarrier compensation for calls to these numbers shall be based upon the end points of the particular calls. This approach will ensure that intercarrier compensation will not hinge on a carrier's provisioning and routing method, or an end user's service selection. We find that calls terminated to end users outside the local calling area in which their NPA/NXXs are homed are not intercarrier purposes of calls for compensation; therefore, we find that carriers shall not be obligated to pay reciprocal compensation for this traffic.

² Generic Proceeding on Point of Interconnection and Virtual FX Issues, Final Order, page 11, Docket No.13542-U (August 15, 2001)

³ Investigation into appropriate methods to compensate carriers for exchange of traffic subject to Section 251 of the Telecommunications Act of 1996, Docket No. 000075-TP, Order No. PSC-02-1248-FOF-TP (Sept. 10, 2001).

1 2 3		In addition, the South Carolina Public Service Commission ⁴ also found
4		that access charges should apply to Virtual NXX traffic.
5		
6	Q.	HAS MCI PREVIOUSLY AGREED THAT CALLS THAT PHYSICALLY
7		CROSS A LATA ARE NOT LOCAL?
8		
9	A.	Yes. In the prior BellSouth/MCI arbitration proceeding in North
10		Carolina, (Docket No. P-474, Sub 10), MCI conceded that a call that
11		crosses LATA boundaries is not local.
12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27		The Commission notes that its conclusion in the RAO limiting its decision to calls within a LATA originated by BellSouth customers to MCIm FX customers was due primarily to MCIm's own witness' testimony during the hearing. As the RAO noted, MCIm witness Price agreed during cross-examination at the hearing that a call from a BellSouth customer in Lenior, North Carolina to a MCIm FX customer in Denver, Colorado is not a local call by virtue of the fact that the call crosses LATA boundaries. Further, witness Price stated that MCIm would be willing to agree to never assign an NPA/NXX code to a customer physically located outside of the LATA if it would resolve the issue.
28		See Order Ruling On Objections, Docket No. P-474, Sub 10 at 28 (Aug.
29		2, 2001) (emphasis added).

⁴ Petition of Adelphia Business Solutions of South Carolina, Inc. for Arbitration of an Interconnection Agreement with BellSouth Telecommunications, Inc. Pursuant to Section 252(b) of the Communications Act of 1934, as Amended by the Telecommunications Act of 1996, Docket No. 2000-516-C, Order No. 2001-045 (January 16, 2001).

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2	Based on this admission, it is clear that BellSouth and MCI should
3	agree that virtual NXX and FX-like calls should be subject to access
4	charges for intercarrier compensation purposes. Nevertheless, MC
5	continues to arbitrate this issue.
6	

DOES THIS CONCLUDE YOUR TESTIMONY? 7 Q.

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9 Yes. Α.

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11 DM#611202v1

1		BELLSOUTH TELECOMMUNICATIONS, INC.
2		DIRECT TESTIMONY OF PAM TIPTON
3		BEFORE THE TENNESSEE REGULATORY AUTHORITY
4		DOCKET NO. 05-00231
5		MARCH 28, 2006
6		
7	Q.	PLEASE STATE YOUR NAME, YOUR POSITION WITH BELLSOUTH
8		TELECOMMUNICATIONS, INC. ("BELLSOUTH"), AND YOUR
9		BUSINESS ADDRESS.
10		
11	Α.	My name is Pam Tipton. I am employed by BellSouth
12		Telecommunications, Inc., as a Director, Regulatory and External
13		Affairs, responsible for regulatory policy implementation in BellSouth's
14		nine-state region. My business address is 675 West Peachtree Street,
15		Atlanta, Georgia 30375.
16		
17	Q.	PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.
18		
19	A.	I received a Bachelor of Arts in Economics from Agnes Scott College in
20		1986, and a Masters Certification in Project Management from George
21		Washington University in 1996. I have over 18 years experience in
22		telecommunications, with my primary focus in the areas of process
23		development, services implementation, product management,
24		marketing strategy and regulatory policy implementation. I joined
25		Southern Bell in 1987, as a manager in Interconnection Operations,

holding several roles over a 5-year period including process controls and services execution. quality development and In 1994, I became a Senior Manager with implementation. responsibility for End User Access Services and implementation of Virtual and (later) Physical Collocation. In 2000, I became Director, for development and responsible Services, Interconnection implementation of UNE products, and later development of marketing In June 2003, I became responsible for and business strategies. implementation of state and federal regulatory mandates for Local and Access markets, the development of regulatory strategies and the management of the switched services product portfolio. I assumed my current responsibilities on August 1, 2005.

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14 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

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16 A. The purpose of my testimony is to provide BellSouth's position for the
17 remaining, unresolved policy issues identified in the Petition for
18 Arbitration filed with the Tennessee Regulatory Authority ("TRA" or
19 "Authority") by MCI Access Transmission Services, LLC ("MCI").

20

Q. HOW IS YOUR DIRECT TESTIMONY ORGANIZED?

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A. First, I will list the remaining, unresolved items contained in the March
3, 2006 issues matrix jointly filed by the parties along with the witnesses
that will address each of these issues. Second, for those issues that I

address, I will provide the issue statements from the March 3, 2006

Issues Matrix, along with BellSouth's positions on these items.

Q. PLEASE IDENTIFY BELLSOUTH'S WITNESSES AND THE
 UNRESOLVED ISSUES THEY ADDRESS IN THEIR DIRECT
 TESTIMONY.

8 A. The chart below identifies the BellSouth witnesses and the unresolved issues they address in whole or in part in their Direct Testimony:

Witness	Issue Nos.
Pam Tipton	Issues 12, 26, 32, 33, and 34
Shelley Decker	Issues 21 and 22

Q. DO YOU HAVE ANY PRELIMINARY COMMENTS?

A. Yes. Although Issue 17 does not appear in the table above, it has been incorporated in Issue 22 by joint agreement. In addition, there are unresolved issues in this arbitration that have underlying legal arguments. Because I am not an attorney, I am not offering a legal opinion on these issues. I respond to these issues purely from a policy perspective. BellSouth will address all legal arguments in its posthearing brief.

1		ISSUE 12
2 3 4 5 6	BellS Cust	e 12: Should MCI Be Required To Indemnify BellSouth For South's Negligence for Claims by Third Parties who are not MCI omers in Conjunction With BellSouth's Provision Of PBX Locate ice to MCI?
7		ANNATIO DELLO CLITURO DOCUTIONI ONI ISSUE 422
8	Q.	WHAT IS BELLSOUTH'S POSITION ON ISSUE 12?
10	A.	MCI should be required to indemnify BellSouth for claims by third
11		parties who are not MCI customers in conjunction with BellSouth's
12		provision of its PBX Locate Service to MCI. With this position,
13		BellSouth is only asking that MCI be subject to the same terms and
14		conditions that BellSouth's retail end users are subject to when
15		purchasing the retail equivalent service.
16		
17	Q.	CAN YOU DESCRIBE THE PBX LOCATE SERVICE AS IT RELATES
18		TO THE ISSUE?
19		
20	A.	Yes. This issue involves the situation where MCI provides a PBX or
21		PBX-like service to its end user and there is a call for emergency
22		services at some point behind the MCI PBX. A good example would be
23		the situation where there is an office campus, consisting of several
24		buildings, all served by the same PBX. If someone on that campus
25		dials "911," BellSouth offers a service that identifies the exact physical
26		location of the call in the multi-building environment served by the PBX.

1		BellSouth provides this service to its own retail end user customers
2		through its PinPoint service and voluntarily offers the same service to
3		its wholesale customers, like MCI, via its PBX Locate Service. Both
4		products allow emergency personnel to locate the specific PBX station
5		(e.g. in a campus/hotel/hospital environment) from which a 911 call was
6		originated.
7		
8	Q.	PLEASE DESCRIBE THE DISPUTE BETWEEN THE PARTIES?
9		
10	A.	The issue for the Authority's consideration is not whether or how
11		BellSouth should provide its PBX Locate service; instead, it is a liability
12		issue. That is, the issue is whether MCI should be subject to essentially
13		the same indemnification terms and conditions that BellSouth's PinPoin
14		retail customers are subject to when MCI purchases BellSouth's PBX
15		Locate service.
16		
17	Q.	DOES BELLSOUTH HAVE A SECTION 251 OBLIGATION TO
18		PROVIDE PBX-LOCATE SERVICE?
19		
20	A.	No. BellSouth does not have a Section 251 obligation to provide PB>
21		Locate Service.
22		
23	Q.	WHAT IS THE BASIS FOR BELLSOUTH'S POSITION?
24		

BellSouth is already fulfilling its on-going obligation to provide

25

A.

Competitive Local Exchange Carriers ("CLECs") with access to its 911 database. MCI has no legal right to receive, as part of BellSouth's obligation to provide 911 services on an unbundled basis, the specific PBX Locate Service. BellSouth voluntarily makes available to MCI its PBX Locate Service, which is identical to BellSouth's retail product, PinPoint. Because PinPoint is a retail offering that BellSouth provides to its wholesale customers through PBX Locate Service, MCI should obtain PBX Locate Service pursuant to the same terms and conditions that apply to BellSouth's retail customers for PinPoint pursuant to its tariff, including the retail customers' indemnification obligations. In other words, BellSouth should not be compelled, as MCI is attempting to do, to put MCI in a better position than BellSouth's end users.

Q. CAN YOU ADDRESS MCI'S OBJECTION TO BELLSOUTH'S PROPOSED LANGUAGE?

Α.

It appears that MCI's objection to BellSouth's language and position is that MCI should not be required to indemnify BellSouth for its own negligence for claims brought by third parties. However, BellSouth's retail PinPoint customers are subject to an almost identical obligation. See BellSouth GSST at § A13.27.8(B)(10-11), attached hereto as Exhibit PAT-1. This indemnification obligation and the requested obligation here both simply recognize that 911 service providers should be protected from liability.

1	Q.	DOES MCI HAVE GENERAL LIMITATION OF LIABILITY LANGUAGE
2		IN ITS TENNESSEE TARIFFS THAT LIMITS ITS EXPOSURE TO
3		CLAIMS BY THIRD PARTIES WHO ARE NOT MCI CUSTOMERS IN
4		THE PROVISION OF 911 SERVICES?
5		
6	A.	Yes. In its Tennessee Local Exchange Service tariff ¹ , MCI includes a
7		limitation of liability statement with respect to Emergency Number 911
8		Service that specifically limits its liability for claims made by third parties
9		who are not MCI customers:
10 11 12 13 14 15 16 17 18 19 20 21 22		This service is offered solely as an aid in handling assistance calls in connection with fire, police and other emergencies. The Company is not responsible for any losses, claims, demands, suits or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or person for any personal injury to or death of any person or persons and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused by: (1) mistakes, omissions, interruptions, delays, or errors or other defects in the provision of
23 24 25 26		this service, or (2) installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of any equipment and facilities furnishing this service.
27		
28		Thus, even MCI recognizes in its own tariffs the need to limit its
29		exposure to claims from third parties in the provision of 911 services.
30		BellSouth, as a wholesale supplier to MCI, is merely seeking the same

protection.

¹ See MCI Tennessee Local Exchange Service, T.R.A. Tariff No. 2 at Section 2.1.4.14(a)

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2	ISSUE 26
2	

Issue 26: Is Bellsouth Obligated To Act As A Transit Carrier? If So, What Is The Appropriate Transit Rate?

Q. WHAT IS BELLSOUTH'S POSITION ON ISSUE 26?

Α.

BellSouth is not required to provide the transit traffic function because such a function is not a Section 251 obligation under the 1996 Act. Therefore, should BellSouth agree to provide the transit traffic function, it should be at rates, terms, and conditions contained in a separately negotiated agreement, or, in the absence of such an agreement, pursuant to BellSouth's Transit Traffic Service Tariff (GSST A37)². With transit traffic, BellSouth provides a value-added service for which it is entitled to be compensated at commercial rates; and, in any event, the CLEC has the ability and, indeed, the right and responsibility pursuant to Section 251(a) of the 1996 Act to request direct interconnection with other carriers.³

² BellSouth notes that while its Transit Traffic Service Tariff was approved by the TRA with an effective date of March 2, 2005, BellSouth has agreed to voluntarily suspended application of the tariff to certain companies, subject to true-up, pending resolution of issues in an arbitration proceeding involving those companies (TRA No: 03-00585). Notwithstanding this action, BST has continued to issue statements of charges to those carriers for accrual purposes.

³ Section 251(a)(1) imposes a duty on every telecommunications carrier (including without limitation ICOs, ILECs, and CLECs) to "...interconnect directly or indirectly with the facilities and equipment of other telecommunications carriers..." This section clearly does not require every telecommunications carrier in the country to provide a transiting function to any other carrier that asks for it.

1	Q.	PLEASE EXPLAIN WHY BELLSOUTH IS NOT REQUIRED TO ACT
2		AS A TRANSIT SERVICES PROVIDER FOR CLECS OR ANY OTHER
3		CARRIERS.
4		
5	A.	The FCC has pronounced that, "[t]o date, the Commission's rules have
6		not required incumbent LECs to provide transiting." TRO at ¶ 534, n.
7		1640. Similarly, in its Virginia Opinion and Order, the Wireline
8		Competition Bureau of the FCC acknowledged that the FCC has never
9		imposed a duty to provide transit services, stating as follows:
10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28		We reject AT&T's proposal because it would require Verizon to provide transit service at TELRIC rates without limitation. While Verizon as an incumbent LEC is required to provide interconnection at forward-looking cost under the Commission's rules implementing section 251(c)(2), the Commission has not had occasion to determine whether incumbent LECs have a duty to provide transit service under this provision of the statute, nor do we find clear Commission precedent or rules declaring such a duty. In the absence of such a precedent or rule, we decline, on delegated authority, to determine for the first time that Verizon has a section 251(c)(2) duty to provide transit service at TELRIC rates. Furthermore, any duty Verizon may have under 251(a)(1) of the Act to provide transit service would not require that service to be priced at TELRIC.
29 30		<i>Id.</i> at ¶ 117 (emphasis added).
31		. a. a. (2p.:
32		The Wireline Competition Bureau subsequently reaffirmed these
33		principles in denying AT&T's request for reconsideration, wherein i

found that (1) it "did not find that Verizon had a legal obligation to provide transit service at TELRIC"; and (2) it "did not agree with AT&T's assertion that the Virginia Commission would have been required to agree with AT&T that Verizon must provide transit service under the Act, nor do we agree that the Bureau was required to so conclude."⁴

Even prior to the *Virginia Arbitration Order*, the FCC refused to find that BellSouth had an obligation to provide its transit service at TELRIC. Specifically, in granting BellSouth's Tennessee 271 application, the FCC stated: "To the extent that NuVox's arguments apply to BellSouth's pricing of transit trunks, we note that the Commission has not had occasion to determine whether incumbent LECs have a duty to provide transit service under section 251(c)(2), and we do not find clear Commission precedent or rules declaring such a duty. We therefore do not find a violation of checklist item 1 in connection with BellSouth's provision of transit trunks."⁵

⁴ In the Matter of Petition of WorldCom, Inc. Pursuant to Section 252(E)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation, CC Docket No. 00-251, 19 F.C.C.R. 8467 (May 14, 2004).

⁵In the Matter of Joint Application By Bellsouth Corporation, Bellsouth Telecommunications, Inc., and Bellsouth Long Distance, Inc. for Provision of In-Region, Interlata Services in Alabama, Kentucky, Mississippi, North Carolina, And South Carolina, WC Docket No. 02 – 150, 17 FCC Rcd., 17595 (Sept. 18, 2002).

Q. HAVE ANY STATE COMMISSIONS IN BELLSOUTH'S REGION
 RECENTLY ADDRESSED THIS ISSUE?

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Yes. The TRA has previously approved non-TELRIC, market-based Α. rates for transit traffic in tariffs and interconnection agreements.⁶ In addition, several other state commissions have agreed with BellSouth. For instance, the Georgia Public Service Commission ("Georgia Commission") determined that BellSouth does not have to provide the transit function at TELRIC and has ordered CLECs to pay a non-TELRIC transit intermediary charge ("TIC") of \$.0025 as an interim rate.7 Similarly, the Florida Commission addressed this issue in the Florida Joint Petitioner arbitration proceeding and found that "a TELRIC rate is inappropriate because transit service is not a § 251 UNE."8 An arbitration panel duly appointed by the Mississippi Public Service Commission ruled that, "...there is no support for the proposition that BellSouth must provide this transit function under Section 251. Accordingly, we adopt BellSouth's position and language for this issue."9

⁶ See TRA Docket No. 04-00380 BellSouth Tariff Filing to Introduce Transit Traffic Service, and Docket No. 06-0001 Petition for Approval of the Wireless Traffic Exchange Agreement Between TDS Telecom and T-Mobile USA, Inc.

⁷See BellSouth's Petition for a Declaratory Ruling Regarding Transit Traffic, Docket No. 16772-U, Order on Transit Traffic Involving Competitive Local Exchange Carriers and Independent Telephone Companies, G.P.S.C. (Mar. 24, 2005).

⁸See Florida Public Service Commission *Final Order Regarding Petition for Arbitration,* Docket No. 040130-TP, issued October 11, 2005 at p52.

⁹ See Mississippi Public Service Commission Arbitration Panel Recommendation of the Arbitration Panel to the Mississippi Public Service Commission, Case No. 2004-AD-094, issued December 13, 2005 at p29. In its Final Order in the Joint Petitioner arbitration, the NCUC denied BellSouth's position on a similar issue, but reaffirmed its earlier decision that

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Accordingly, the overwhelming TRA and federal precedent, in conjunction with several other state commission decisions on this issue, establishes that there is no authority to support any finding that BellSouth has a Section 251 obligation to provide transit service or that it must provide the service at TELRIC. Therefore, the Authority should decline to require BellSouth to provide service at TELRIC rates because it is not encompassed within BellSouth's obligations under the Act.

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BECAUSE BELLSOUTH HAS NO SECTION 251(C) OBLIGATION TO Q. PROVIDE ITS TRANSIT SERVICE, IS A TOTAL ELEMENT LONG 12 RUN INCREMENTAL COST ("TELRIC") RATE APPROPRIATE? 13

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No. The Federal Communications Commission ("FCC") in the TRO Α. made it clear that "section 252(d)(1) is quite specific [in] that it only applies for the purposes of implementation of section 251(c)(3) meaning only where there has been a finding of impairment with regard to a given network element." TRO at ¶ 657. The D.C. Circuit affirmed this TELRIC limitation in USTA II, wherein it held: ". . . we see nothing unreasonable in the Commission's decision to confine TELRIC pricing

[&]quot;...the tandem transit function may also involve a billing intermediary function, and the rates for providing this service are not required to be TELRIC based." The rate BellSouth seeks to charge via the TIC compensates BellSouth for billing functions associated with acting as an intermediary, as well as for the value-added service it provides by acting as the intermediary.

1		to instances where it has found impairment." Thus, because
2		BellSouth has no Section 251(c) obligation to provide its transit service,
3		the TRA has no authority to order that it must be priced at TELRIC.
4		
5	Q.	ARE CLECS REQUIRED TO USE BELLSOUTH'S TRANSIT
6		SERVICE?
7		
8	A.	No. CLECs can connect directly with other carriers in order to
9		exchange traffic. They do not need BellSouth to pass such traffic for
10		them. For whatever efficiencies they gain, many CLECs have elected
11		to have BellSouth perform a transit traffic function for them. CLECs that
12		elect to have BellSouth perform this function should negotiate the rates,
13		terms, and conditions of transit traffic in a separate agreement.
14		
15	Q.	WHEN PERFORMING A TRANSIT FUNCTION, DOES BELLSOUTH
16		INCUR COSTS THAT ARE NOT ADDRESSED BY THE TELRIC
17		RATES ORDERED BY THE AUTHORITY?
18		
19	A.	Yes. BellSouth incurs costs in sending records to the terminating
20		carrier identifying the originating carrier, the costs of ensuring that
21		BellSouth is not being billed for a third-party's transit traffic, and the
22		costs that BellSouth has incurred and continues to incur due to disputes

arising from the failure on the part of the CLECs to enter into traffic

¹⁰United States Telecom Association v. FCC, 359 F.3d 554 (D.C. Cir. 2004) at 589 ("USTA II").

exchange arrangements with terminating carriers. BellSouth does not currently charge the CLECs for these records and does not recover those costs in any other manner.

ISSUE 32

Issue No. 32: What charges, if any, should be imposed for records changes made by the Parties to reflect changes in corporate names or other LEC identifiers such as OCN, CC, CIC and ACNA?

Q. WHAT IS BELLSOUTH'S POSITION ON ISSUE 32?

Α.

First, this issue is not appropriate for arbitration in this proceeding because it involves a request by MCI that is not encompassed within BellSouth's obligations pursuant to § 251 of the Act. This is because a request to change records as a result of a merger or acquisition is initiated pursuant to a MCI business decision that is unrelated to any of BellSouth's obligations under the Act. That being said, BellSouth is not opposed to providing this service through the mergers and acquisition process. However, BellSouth must be able to recover its costs via a reasonable records change charge. BellSouth's Mergers and Acquisitions Team will provide the rates to a CLEC upon request that is involved in, or planning for, a merger or acquisition based on the products and services involved.

1		BellSouth's Mergers and Acquisition process is available on its
2		interconnection website
3		(<u>http://www.interconnection.bellsouth.com/ma_process/</u>) . I have
4		attached the document to my testimony as Exhibit PAT-2.
5		
6	Q.	HOW DOES BELLSOUTH'S PROCESS WORK?
7		
8	A.	Changes to "LEC Identifiers" by a CLEC that receives services from
9		BellSouth, requires work by BellSouth, at a minimum, in BellSouth's
10		record databases. While there may be no physical change in the
11		associated service, BellSouth still has work steps in making records
12		changes to collocation arrangements and the circuits connected to the
13		collocation arrangements as well as the information in BellSouth's
14		Trunks Integrated Record Keeping System ("TIRKS"), Loop Facilities
15		Administration and Control System ("LFACS"), Switch, Loop
16		Maintenance Operations System ("LMOS"), billing, and other
17		databases.
18		
19	Q.	ARE CHANGES OF THIS TYPE SIMPLE ADMINISTRATIVE
20		CHANGES THAT ARE NOT UNDULY TIME OR LABOR INTENSIVE?
21		
22	A.	No. There are numerous services, circuits, collocation arrangements,
23		and other arrangements and assets that must undergo the records
24		changes throughout BellSouth's systems. MCI has at least 75 Access
25		Customer Name Abbreviations ("ACNAs") currently being used. Some

of these ACNAs have thousands if not hundreds of thousands of end user accounts. In the event MCI or any CLEC requests to put everything under one roof, each end user account will have to be changed. The work required by BellSouth involves issuing and completing service orders on each account. These records changes are at the request of the CLEC, not BellSouth. As the cost causer, the CLEC should be responsible for paying a reasonable charge for these changes.

10 ISSUE 33

Issue 33: How Should The Rate For The Calculation Of Late Payments Be Determined?

Q. WHAT IS BELLSOUTH'S POSITION ON ISSUE 33?

Α.

The rate for calculation of late payment charges should be determined by the service provider based on current market and/or industry conditions and must be bound by applicable law regarding late payment charges. BellSouth applies late payment charges to its retail and wholesale customers on a non-discriminatory basis, compliant with applicable law. Thus, the late payment charge rates are set forth in BellSouth's tariffs so that the rates are equally available and accessible to all of BellSouth's customers. So long as the rate charged by BellSouth is within the parameters reflected in state law, BellSouth, as a business, should have the flexibility and the right to adjust its late

the conditions in the economy charges as payment It is unnecessary and telecommunications market warrant. unwarranted to include a late payment pricing table in the Agreement. To do so could result in discriminatory rates being applied to only certain customers, in this case, MCI.

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7 Q. WHAT IS MCI'S POSITION ON THIS ISSUE?

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Α.

MCI's position seems to suggest that late payment charges for each state must be set forth in the agreement and capped at 18%, or applicable law, whichever is less. As I have stated above, BellSouth agrees that the late payment charges are capped by applicable law; however, it is unnecessary and inappropriate for state-specific late payment charges to be set forth in the Agreement or that BellSouth be required to apply a late payment charge that is less than the law allows.

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Q. WHAT IS MCI'S APPARENT OBJECTION TO BELLSOUTH'S PROPOSAL?

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A. MCI's objection to BellSouth's proposal appears to be that it believes BellSouth will have the unilateral ability to change the applicable late payment charge for services purchased under the agreement. MCI should not have this concern, however, because any modifications to BellSouth's late payment charges set forth in BellSouth's tariffs are subject to the Authority's approval and must comply with applicable law.

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Additionally, in the event BellSouth attempts to revise its late payment charge in its tariff to a rate that MCI opposes, MCI can raise any concerns about the proposed change at the time the tariff is filed. Thus, there are sufficient checks and balances in place that protect MCI.

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WHY DOES BELLSOUTH BELIEVE THAT IT IS NOT NECESSARY, Q. OR PROPER, FOR THE AUTHORITY TO REQUIRE THAT THE INTERCONNECTION AGREEMENT INCLUDE SPECIFIC LATE PAYMENT CHARGE RATES? 10

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Α.

First and foremost, BellSouth's late payment charges vary, by state, due to differing regulatory factors and primarily because the specific rates and structure of late payment charges may be specifically mandated pursuant to state law. Further, BellSouth cannot administer customer-specific late payment charges but, instead, applies such charges on a non-discriminatory basis for all of its customers (retail or wholesale) based on the type of service requested. Adoption of any other late payment charge structure will result in MCI being charged different late payment charges than the Authority has determined is acceptable for Tennessee consumers.

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1		ISSUE 34
2 3 4		e 34: What Process Should be Used for the Discontinuing ervice?
5		
6	Q.	WHAT IS BELLSOUTH'S POSITION ON ISSUE 34?
7		
8	A.	If MCI receives a notice of suspension or termination from BellSouth as
9		a result of MCI's failure to pay timely, then MCI should be required to
10		pay all undisputed amounts that are past due as of the due date of the
11		pending suspension or termination action.
12		
13	Q.	PLEASE PROVIDE SUPPORT FOR YOUR POSITION.
14		
15	Α.	By definition, the collections process is triggered when a customer does
16		not pay its bills according to the terms of the Agreement. Once a CLEC
17		fails to meet its financial obligations and the matter is referred to
18		collections, the risk (or financial exposure) associated with providing
19		service to the customer is higher, based on the customer's own
20		behavior. Under MCI's proposed language, BellSouth would be limited
21		to collecting only the amount that was stated in the past due letter
22		regardless of MCI's payment performance for subsequent bill cycles
23		and BellSouth could only terminate service for the specific account that
24		was not paid.
25		

1	Q.	WHY SHO	DULD M	CI PAY	ALL	UNDISPUTED	AMOUNTS	THAT
2		BECOME	PAST	DUE	AFTE	R RECEIVIN	G NOTICE	OF
3		NONPAYM	IENT?					

Α.

Often, after receipt of a notice of past-due charges, the parties will enter into discussions related to payment arrangements in an effort to resolve the matter without the need for suspension or termination. During this time, while BellSouth works with the CLEC to avoid disruption of access to ordering systems or disruption of service to end users (even though the CLEC has not paid for the services), BellSouth is continuing to provide service to the CLEC and any additional payments that become past due subsequent to the first past due notice should be rectified by the CLEC at the same time as it pays for the original past due charges.

Again, this situation only arises when a CLEC fails to fulfill its most fundamental contractual obligation—paying for the services it receives in a timely manner. BellSouth has the right and responsibility to protect itself from the higher risk associated with non-payment by ensuring that customers are not allowed to increase the likelihood of bad debt.

Q. IS THERE ANY GUESSWORK INVOLVED WITH BELLSOUTH'S POSITION?

A. No. A CLEC that fails to timely pay undisputed amounts that are past due is provided with a (i) written notice of the amount that must be paid

to avoid suspension or termination; and (ii) a spread sheet (also known as an aging report) that shows, by billing account number, the current amount owed, the past due amount owed, disputed amounts, and for the CLECs' convenience, the total amount that has or will become due, less disputed and current charges. Additionally, the CLEC and BellSouth are in constant communication during the cure period regarding the nonpayment of past due amounts. Thus, there is no guesswork by the CLEC regarding how much has to be paid in order to avoid suspension or termination.

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Q. CAN YOU ADDRESS MCI'S BELIEF THAT ANY TERMINATION RIGHTS SHOULD BE LIMITED TO THE SPECIFIC SERVICES THAT WERE NOT PAID?

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Yes. MCI believes that BellSouth's termination rights for nonpayment of undisputed past due billings should be limited to the specific services that were not paid and not to all of the services that MCI purchases from BellSouth. In effect, MCI argues that it should be allowed to continue to receive services even though it fails to pay for some assuming under MCl's proposal, Thus. services rendered. hypothetically that MCI had 100 accounts in Tennessee and MCI failed to timely pay 50, 75, or even 99 of those accounts, BellSouth would still be obligated to provide service to MCI in Tennessee. Not only does this concept defy basic business practices but it also leads to potential manipulation and abuse by gaming the payment process.

1										
2	Q.	DO	YOU	HAVE	ANY	OTHER	CONCERNS	ABOUT		
3		PROPOSAL?								
4										

MCI'S

Yes. MCI, the entity, is BellSouth's customer. When MCI is in default on its payment obligations, BellSouth should be able to limits its financial exposure caused by MCI, the entity regardless of whether the nonpayment is limited to a specific state or a specific set of services. Simply put, nonpayment is nonpayment and BellSouth's rights for nonpayment should not be limited and subject to potential gaming by MCI.

Q. CAN YOU ADDRESS MCI'S CONCERN THAT, WITH BELLSOUTH'S
PROPOSAL, BELLSOUTH COULD TERMINATE ALL OF MCI'S
SERVICE FOR NONPAYMENT OF A MINOR AMOUNT THAT WAS
OVERLOOKED BY MISTAKE?

A. MCI's primary rationale for its position is not based in fact or the experiences of the parties, which definitively establishes that BellSouth and MCI are in constant contact regarding the payment of bills; BellSouth and MCI work together to make sure bills and accounts are reconciled and paid; and BellSouth would not terminate all of MCI's services for nonpayment of a minor amount that was overlooked by mistake. Accordingly, MCI's concern rings hollow.

1 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

3 A. Yes.

5 DM # 626950

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A13. MISCELLANEOUS SERVICE ARRANGEMENTS

A13.27 Emergency Reporting Services (Cont'd)

A13.27.6 Wireless E911 Phase 2 (Cont'd)

E. Wireless E911 Phase 2 Service

This service is comprised of two components, Extended ALI Display Format and ALI Database Upgrade for Wireless Phase 2. Both components are required for implementation of this service.

1. Extended ALI Display Format

The PSAP's Automatic Location Identification (ALI) display format must be changed to the BellSouth Extended ALI Display Format to accommodate the longitude and latitude, or x,y coordinates. The provision and delivery of the x,y information to the PSAP requires an E2 interface between the ALI database and the WSP's Mobile Position Center (MPC)/Gateway Mobile Location Center (GMLC). The provisioning of the E2 interface is the responsibility of the WSP

2. ALI Database Upgrade For Wireless Phase 2

The ALI Database Upgrade For Wireless Phase 2 enables the PSAP to query and retrieve wireless caller location information from the Company's Automatic Location Identification (ALI) database. Location information may include cell site sector location, longitude and latitude of the wireless caller's location, and the wireless caller's callback number (CBN). This upgrade will enable the necessary interfaces, software, and databases to permit the wireless caller's location information to be populated in the Company's ALI database and/or retrieved when queried by the customer's PSAP equipment.

F. Rates and Charges

1. Per PSAP

		Hourecurring	MURCHLY RALE	USOC
		Charge		
(a)	Enhanced MF Signaling, per PSAP	\$-	\$-	XTAMF
(b)	Extended ALI Display Format, per PSAP	2,200.00	-	XTAL2
(c)	ALI Database Upgrade For Wireless Phase 2, per	-	190.00	XTAP2
	PSAP			

A13.27.7 The Tellabs 291 Emergency Alerting System

(Obsoleted, See A113.27.7)

A13.27.8 BellSouth 9-1-1 PinPoint Service

General

 BellSouth 9-1-1 PinPoint Service allows a Private Branch Exchange (PBX) switch located on a customer's premises to be trunked directly into an E911 tandem office, delivering the telephone number and location of the PBX end user to the appropriate Public Safety Answering Point (PSAP).

9-1-1 PinPoint service is available with BellSouth Primary Rate ISDN (PRI) or 9-1-1 Pinpoint Service Local channels as described in this section. 9-1-1 Pinpoint Service Local Channels are not required if using BellSouth PRI service.

B. Regulations

1. BellSouth 9-1-1 PinPoint Service is furnished subject to the availability of facilities.

Automatic Number Identification (ANI) which is passed to the Company's E911 tandem office by the PBX switch is read, processed and utilized in the manner as if it is provided by any other serving end office in the Company's E911 system.

3. The emergency agency serving the area may also be involved to update the Master Street Address Guide (MSAG) and to determine the method in which emergency calls from BellSouth 9-1-1 PinPoint Service locations will be handled.

4. The following specifications must be met when provisioning this service:

a. Subscribers to BellSouth 9-1-1 PinPoint Service must meet all BellSouth technical specifications.

b. The PBX switch must be able to transmit ANI using multi-frequency signals. This may require the retro-fitting of existing PBX switches with interfaces which will work with the Company's E911 system.

Note 1: Copyright of Tellabs, Inc.

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A13. MISCELLANEOUS SERVICE ARRANGEMENTS

A13.27 Emergency Reporting Services (Cont'd)

A13.27.8 BellSouth 9-1-1 PinPoint Service (Cont'd)

- B. Regulations (Cont'd)
 - 4. The following specifications must be met when provisioning this service: (cont'd)
 - c. The PBX switch owner/operator must supply the Company with the initial telephone number-to-address data as well as periodic updates.
 - d. 9-1-1 PinPoint Service is configured on a "per account" basis. All telephone numbers on a BellSouth Direct Inward Dial (DID) or Primary Rate ISDN (PRI) account equipped with 9-1-1 PinPoint Service must be provisioned with 9-1-1 PinPoint Service. The Customer cannot randomly select which telephone numbers on an account will have the Service.
 - e. Users of 9-1-1 PinPoint Service are prohibited from provisioning PBX station numbers outside the boundary of the E9-1-1 tandem serving the physical address of the main PBX location. 9-1-1 calls from any telephone numbers provisioned outside the boundary of the serving E9-1-1 tandem would be routed to an incorrect PSAP with no location information. An alternative arrangement could involve PRI terminations from multiple central offices to accommodate a wider geographic area. In that configuration, no PBX station numbers can be provisioned at addresses outside the boundary of the tandem serving the PRI host. The subscribing 9-1-1 PinPoint Service customer is responsible for ensuring that 9-1-1 PinPoint Service is provisioned in a compliant configuration that will ensure that 9-1-1 calls are routed correctly with the correct location information.
 - f. The PBX switch must employ BellSouth Direct Inward Dial (DID) or BellSouth PRI station numbers. If the PBX is serving subscribers with multiple NPAs, a unique PBX trunk group will be needed for each NPA (whether it be 9-1-1 PinPoint Service Local Channels or PRI). 9-1-1 PinPoint Service is not available on Centrex or "Centrex-like" station numbers.
 - g. It will be the responsibility of the vendor or PBX operator to maintain the data pertaining to each extension operating under such system.
 (T)
 - 5. The PBX switch owner/operator must install a minimum of two private E911 local channels (except for PRI) with the following specifications:
 - a. This voice grade local channel provides for a communications path between the demarcation point at the customer premises and the serving E911 tandem.
 - b. The PBX switch owner/operator is responsible for determining that their terminal equipment is compatible with this local channel
 - c. Supervision on this 9-1-1 PinPoint Service local channel will be loop reverse battery. The battery source is located in the Company's network and will be a nominal -48V (-42.75V to -56.5V dc).
 - d. The PBX will signal an off hook (or seizure) by providing a loop closure across tip and ring with a maximum resistance of 670 ohms. The Company's serving E911 tandem office will instruct the PBX to forward the called digits "911" or "11" with a momentary battery reversal (wink). The E911 tandem will instruct the PBX to send the calling station's number (ANI) information with a battery reversal (off hook).
 - e. Additional regulations may be applicable as described in Section B3, of the Company's Private Line Services Tariff.
 - f. Required network interfaces are located in Section A14. of this Tariff.
 - 6. Service charges, as specified in Section A4. of this Tariff, are applicable.
 - 7. General Regulations located in Section A2. of this Tariff will also apply to this service offering.
 - 8. This service is offered solely as an aid in handling assistance calls in connection with fire, police and other emergencies and does not create any relationship or obligation, direct or indirect, to any person other than the customer contracting for BellSouth 9-1-1 PinPoint Service. The provision of BellSouth 9-1-1 PinPoint Service by the Company shall not be interpreted, construed, or regarded, either expressly or implied, as being for the benefit of or creating any Company obligation toward any third person or legal entity other than the customer.
 - 9. The rates charged for BellSouth 9-1-1 PinPoint Service do not contemplate the constant monitoring or inspection of facilities to discover errors, defects and malfunctions in the service, nor does the Company undertake such responsibility. The customer shall make such operational tests as, in the judgment of the customer, are required to determine whether the service is functioning properly for its use. The customer shall promptly notify the Company in the event the service is not functioning properly.

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A13. MISCELLANEOUS SERVICE ARRANGEMENTS

A13.27 Emergency Reporting Services (Cont'd)

A13.27.8 BellSouth 9-1-1 PinPoint Service (Cont'd)

- B. Regulations (Cont'd)
 - 10. The Company's entire liability to any person for the interruption or failure of BellSouth 9-1-1 PinPoint Service shall be limited to the terms set forth in this Section and other Sections of this Tariff. The Company shall neither be liable for damages resulting from or in connection with its provision of BellSouth 9-1-1 PinPoint Service to any customer subscribing to BellSouth 9-1-1 PinPoint Service or any person accessing or using BellSouth 9-1-1 PinPoint Service and nor shall the Company be liable for its provision of any telephone number, address, or name to any entity providing 911 service or to a public safety answering point, unless the Company acted with malicious purpose or in the manner exhibiting wanton and willful disregard of safety or property in providing such services.
 - 11. Each customer agrees to release, indemnify, defend and hold harmless the Company from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or person, for any personal injury to or death of any person or persons, or for any loss, damage or destruction of any property, whether owned by the Customer or others, or for any infringement or invasion of the right of privacy of any person or persons, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of BellSouth 9-1-1 PinPoint Service features and the equipment associated therewith, or by any services which are or may be furnished by the Company in connection therewith, including but not limited to the identification of the telephone number, address or name associated with the telephone used by the party or parties accessing 911 services using BellSouth 9-1-1 PinPoint Services hereunder, and which arise out of the negligence or other wrongful act of the Company, the Customer, its user agencies or municipalities or employees or agents of any one of them.
 - 12. Each Customer is responsible for assuring that its authorized users comply with the provisions of these terms and the tariffs and that unauthorized persons do not gain access to or use the Services through user names, passwords, or other identifiers assigned to the Customer pursuant to these terms. Specifically, each Customer must keep user IDs, passwords, and any security token(s) that may be provided secure from use by any unauthorized individual. The Customer shall also not use the Services in any way that would be or would assist any third party to be in violation of any law or these terms. Each Customer shall comply with all applicable laws, rules, and regulations in connection with the services. Finally, the Customer shall provide such information and assistance as are reasonably requested by BellSouth for purposes of facilitating BellSouth's provision of services to the Customer.
 - 13. When an order for BellSouth 9-1-1 PinPoint Service and facilities or requests for additions, rearrangements, relocations or modifications or service and equipment are canceled in whole or in part, the customer may be required to reimburse the Company for all expenses incurred in handling the requests before notice of cancellation is received. Such charges, however, are not to exceed all charges which would apply if the work involved in complying with the request had been completed.
 - 14. When the use of service or facilities furnished by the Company is interrupted due to any cause other than the negligence or willful act of the subscriber or the failure of the facilities provided by the subscriber, a pro rata adjustment of the fixed monthly charges involved will be allowed as covered by Section A2. of this Tariff.
 - 15. In the event of any interruption of the service, the Company shall not be liable to any person, corporation or other entity for any loss or damage in an amount greater than an amount equal to the pro rata allowance of the tariff rate for the service or facilities provided to the customer for the time such interruption continues, after notice to the Company. No allowance shall be made if the interruption is due to the negligence or willful act of the customer of the service.
 - 16. Other Rules and Regulations located in A13.27.5. preceding will also apply to this service offering as appropriate

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A13. MISCELLANEOUS SERVICE ARRANGEMENTS

A13.27 Emergency Reporting Services (Cont'd)

A13.27.8 BellSouth 9-1-1 PinPoint Service (Cont'd)							
C.	Pay	ment Schedules	(M)				
	1.	General	(M)				
		BellSouth 9-1-1 PinPoint Service is offered for a 60 month contract period at the rates and charges indicated in this sub-section.	(M)(T)				
	2.	Transfer of Contract	(M)				
		Service may be transferred to a new subscriber at the same location upon prior written concurrence by the new subscriber as specified in Section A2. of this Tariff.	(M)				
	3.	Deferred Payment	(M)				
		Nonrecurring charges may be deferred or installment billed as specified in Section A2. of this Tariff.					
	4.	Prepayment					
		Recurring charges may be prepaid as specified in Section A2. of this Tariff.	(M)				
	5. Moves of Service						
		a. When the PBX owner/operator moves BellSouth 9-1-1 PinPoint Service:	(M)(T)				
		(1) 60 month rates in effect will continue uninterrupted.	(M)				
		(2) BellSouth 9-1-1 PinPoint Service nonrecurring charges do not apply.	(M)(T)				
		(3) BellSouth 9-1-1 PinPoint Service local channel charges apply as appropriate.	(M)(T)				
D.	Rates and Charges						
	1.	. BellSouth 9-1-1 PinPoint Service					
		a. Installation Charge					
		(1) Per Customer					
		Nonrecurring Monthly Charge Rate USOC (a) Up to 1,000 station records, per customer \$3,600.00 - E8YN1					
		(b) 1,001 to 4,000 station records, per customer 4,800.00 - E8YN2					
		(c) 4,001 or more station records, per customer 5,900.00 - E8YN3 b. 60 Month Contract Period - Monthly Charges,					
		(1) per 1,000 records					
		(a) Up to 1,000 station records, per 1,000 records - \$178.00 E8Y61					
		(b) 1,001 to 4,000 station records, per 1,000 records - 155.00 E8Y62					
	•	(c) 4,001 or more station records, per 1,000 records - 130.00 E8Y63	(T)				
	2.	BellSouth 9-1-1 PinPoint Service Local Channels, per channel (a) First channel each 475.00 - E8YCT	(1)				
		(a) First channel, each 475.00 - E8YCT (b) Additional channels, each 105.00 - E8YCU					
		(c) Each channel - 55.00 E8YCV					
		\-, 					

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Mergers & Acquisitions Process

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Welcome

Process supports all Wholesale Customers and provides step by step instructions and guidance for the ease of this critical transaction. **WELCOME to the** *Mergers and Acquisitions* (**M&A**) **home page**. The Mergers and Acquisition Process is designed to assist Wholesale Customers during their merger, acquisition, and consolidation of accounts. The

This home page contains links to supporting processes in an effort to provide comprehensive information useful during and at the conclusion of the M&A process. These pages contain the documents and forms essential to the M&A process, frequently asked questions as well as a method to contact us for further assistance. If you have any questions, please contact **Your BellSouth Mergers and Acquisition Chairperson** via email at Contact Us. BellSouth will respond in 3 business days.



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A merger is defined as the consolidation of two companies. In a merger, the merged company ceases to exist as a separate business and legal entity. The acquiring company assumes the assets, liabilities, franchises, and powers of the merged company by operation of law (i.e., automatically).

An acquisition applies when Company A acquires some or all of the property of company B. Typically asset acquisitions involve the transfer of some of the telephone "exchanges" operated by the selling company



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2.0 Expectations

The acquiring CLEC or IXC will complete Level 1 and Level 2 Checklists that will assist BellSouth in determining how the transaction will be managed. The acquiring CLEC or IXC will also be responsible for providing a spreadsheet inventory of the transferring assets.



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No interruption or disconnection in service use.

No relocation of all existing service.

The new customer (Assignee) assumes ail outstanding indebtedness for such services, any un-expired portion of the minimum period, and the termination liability (if any) associated with the services involved in the transfer. If the new customer does not agree to assume responsibility for all charges, Transfer of Service is not applicable and N & D orders are required.

An outright purchase

Acquisition of an existing business

The merging of two or more existing businesses

Establishment of a new/changed business structure; i.e.

Sole ownership - Partnership - Corporation

 No service order(s) will be issued/released to execute a Transfer of Service prior to the receipt of proper written agreement from both the Assignor (former owner) and the Assignee (new owner). If the former company has already been dissolved, the Transfer Document will not be appropriate.

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4.0 Rates

The cost of implementing the merger changes within BellSouth is dependent of the quantity and type of services involved in the merger as well as tariff defined and negotiated rates.



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Mergers & Acquisitions Process

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5.0 Let's Get Started

- Contact BellSouth as noted in the notices section of the Interconnection Agreement or your Account Team Representative, we will guide you through the process and advise where to submit forms.
 - Request PSC approval of the acquisition Verify all NECA changes and additions
 - - Complete and submit credit profile



- Submit a letter providing the details of the "assumption of services" should be from the 'acquiring' customer on their letterhead
 - Complete and submit level 1 checklist
- Provide inventory spreadsheets Should document how the 'transferring' customer's ACNA and/or OCN will be used in the issuance of service orders if applicable.
- Provide all legal names that are used or will be used in the application to BellSouth Sign the Transfer Agreement

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account. I understand that such information will be held strictly confidential and will remain BellSouth's property whether or not credit is extended. I understand that security may be required by BellSouth to establish service. I I hereby authorize you to release to BellSouth any and all information, which they may request concerning my (Area Code) Fax Number (Area Code) Telephone Number Banking Officer Account Number City Bank Name Bank Reference Contact Name Account Number (Area Code) Telephone Number State City Company Name Contact Name Account Number (Area Code) Telephone Number State City Company Name Contact Name Account Number (Area Code) Telephone Number State City Company Name Business Credit References Principal Business of Firm Year Business Established Company Web Site: Company History President CŁO Officer's Names Contact e mail address: Contact name for additional information (if needed) οN SƏ人「 Are you presently a Bellsouth Customer in another area of business? E mail address of business (Area Code) Fax Number (Area Code) Telephone Number diZ State Corporate Office Location (If different from above) Street Address Corporation Other Sole-Proprietor Partnership Please Check One: Business Name (Legal Name) Doing Business As (Trade Style) Company Information CMRS (Wireless) Other Seess Type of Business Applying For: Payphone Services Provider (# of lines in the first 6 months) Eacility Based Attach Copy of Fiscal Audited Statement (if available) Please Print And Complete All Information. Existing customer For questions concerning this application call 888-634-4114 Mew customer Attention: Business Credit Management Complete, sign and fax to: 404-986-0166 Estimated Monthly billing with BellSouth Return By Fax To: 404-986-0166 **Credit Profile** Interconnection Services

Print Name

certify that the above information provided for this credit profile is true and correct to the best of my knowledge.

Signature (Authorized Individual Only)

Date (MM/DD/YYYY)

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6.0 Collocation

If Collocation:

- Customer prepares an application in e-Application, prints the application, but does not submit the application until the agreement is finalized and the distribution of applications is authorized)
- Submit a Letter of Authorization (LOA) for the transfer and release of the of the collocation arrangement(s).
 - Should be from the 'transferring' customer on their letterhead.
 - Should include the Reference Number for each arrangement.
- Submit a letter providing the details of the "assumption of services" o Should be from the 'acquiring' customer on their letterhead
- Should document how the 'transferring' customer's ACNA will be used in the issuance of service orders for services.
- Submit a complete list of the Collocation Billing Account Numbers (BANS) that will be transferred.
- Submit a complete list of all terminations (CFA) and circuits for each arrangement that will be transferred.
 - Use the attached template and provide all requested information.
- Submit a hard copy of the application to transfer ownership for each collocation arrangement being
- o Enter the application in BellSouth's eApplication system. Print a copy of the application but do not submit it until the Transfer Agreement has been signed
- Submit a Virtual Collocation Equipment Inventory/Acceptance List for each virtual collocation arrangement.
- Contact your Contract Negotiator to discuss any necessary contractual revisions.
- Sign the Transfer Agreement
- Submit the e-applications(s) once the Transfer Agreement has been signed and all information and details are complete.
- The customer (buyer) and/or certified vendor is responsible for ALL re-stenciling. This includes, but is not limited to, Virtual equipment and/or cable/pair interconnection points.
- e-Application

https://collocation.bellsouth.com

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MNA Level I Initial Checklist V06

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MNA Trunking/Operator Services Spreadsheet V1 MNA Level II Access Trunking/Operator Services PrePlan VO5

MNA UNEp Spreadsheet V1 MNA Level II Local Trunking/Operator Services PrePlan VO5

MNA Level II QACCT PMAP SEEM V03

MNA Right Of Way V1

TORC DForm

MNA Level II Special Access Preplan V031 MNA Level II UNE Preplan VOI

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MNA Wireless Trunking Spreadsheet v11

TORC NDForm

MNA Wireless Non-Access Specials Spreadsheet v11 MNA Level II Wireless Trunking PrePlan V051

Line Splitting Spreadsheet Issue 11

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MNA Special Access TOS Spreadsheet V11

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8.0 Links

Do you want to become a CLEC?

Do you want to become a Wireless Provider?



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9.0 Glossary

Merger - The consolidation of two companies. In a merger, the merged company ceases to exist as a separate business and legal entity. The surviving company assumes the assets, liabilities, franchises, and powers of the merged company by operation of law (i.e., automatically)

Asset acquisition - Company A acquires some or all of the property of company B. Typically asset acquisitions involve the transfer of some of the telephone "exchanges" operated by the selling company.

"company" has the status similar to a person and can sign contracts, employ people, own assets (including other companies), and buy and sell goods and services. corporations, etc. For simplicity, all are referred to a "companies" in this document. As a legal entity, a some type (e.g., provision of telephone service). Other types of legal entities that may perform similar functions include cooperatives, partnerships, limited liability corporations (LLCs), sub chapter S Company - A legal entity, formed under the laws of a particular state usually to operate a business of

M&A Chair - Merger and Acquisition Chairperson, a program manager and whose responsibility is to guide wholesale customers through the M&A process.

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10.0 FAOs

Question 1: My company, ABC Telco, has just merged with Just in Time Telecom. What do I need to do to get their customers brought over to ABC Telecom's ACNA?

Answer: If you are a CLEC- then refer to the notices section in your ICA. If you are an IXC, contact your Account Team Representative.

Question 2: If my company has merged in the corporate world, why do I have to go through a merger process with BellSouth?

Answer: If BST is not notified, you will still operate as separate entities.

Question 3: My company, ABC Telecom, already does business with BellSouth and the company we just merged with, Just in Time Telecom, does as well. Why are we charged to go through the merger process with BellSouth?

Answer: There are costs associated with the changes that BST must make to align our records with the new single entity.

Question 4: Why do I need to provide a list of customers/circuits to BellSouth in order to combine my inventory?

Answer: BST requires an explicit listing of all products that are affected by the merger to ensure that the assets you have acquired are correctly identified.

Question 5: My company already has a deposit on file with BellSouth. Why do I have to go through the credit process again now that my company has been through a merger?

Answer: You are assuming additional assets that may require analysis.

Question 6: My company just merged with another provider. We both currently have PSC certification. Do we have to contact the PSC/Regulatory boards about our merger?

Answer: Yes

Question 7: My company has not kept very good records over the years. What can I do if I cannot provide BellSouth an acceptable inventory of my circuits/customers?

Answer: BellSouth has an internal organization that will assist you in preparing the inventory.

Question 8: How long will the BellSouth merger process?

Answer: All timeframes are negotiated.

Question 9: What will the BellSouth merger process cost?

Answer: The rates are dependent upon the services that are impacted by the merger.

Question 10: Can my BellSouth Account Team handle this process for me?

Answer: Your merger process involves many BellSouth representatives, of which your Account Team is one.

Question 11: What documentation should I provide to BellSouth to begin the merger process?

Answer: Please refer to the Merger website. A list of forms and other documentation requirements are identified on this website.

Question 12: What is a merger?

Answer: Get definition from website.

Question 13: Will new account numbers be assigned after completion of merger?

Answer: Establishment of new accounts or use of existing accounts is dependent on the merger activities and will be communicated to you via the Merger and acquisition chairperson.

Question 14: How can I be assured that the merger process is complete?

Answer: The M&A chairperson will coordinate the merger on your behalf and contact you during the merger process and up on completion.

To:

Terri.Douglas@BellSouth.com; Carolyn.Cauthen@BellSouth.com; Amanda.Butler2 @BellSouth.com Mergers and Acquisitions Internet site

Subject: