BELLSOUTH

BellSouth Telecommunications, Inc.
Suite 2101
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615 214-6301
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Guy M. Hicks
General Counsel

March 24, 1998

VIA HAND DELIVERY

David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *BellSouth Telecommunications, Inc.'s Entry Into Long Distance (InterLATA) Service in Tennessee Pursuant to Section 271 of the Telecommunications Act of 1996*
Docket No. 97-00309

Dear Mr. Waddell:

Enclosed are the original and thirteen copies of the supplemental responses of BellSouth Telecommunications, Inc. to the First Request for Production of Documents of AT&T. A copy has been provided to counsel of record.

Very truly yours,

Guy M. Hicks

GMH:ch

Enclosure

REQUEST: In connection with Data Request No. 24, produce copies of any analyses, reports, studies, evaluations, or other documents prepared in connection with any review of BellSouth's OSS (including, but not limited to, any OSS features, functions, components, and interfaces) by any outside consultant or consultants. Such documents include, but are not limited to:

(a) all documents which contain or set forth the scope of the consultant(s)' review(s);

(b) all correspondence and any agreements constituting, evidencing or reflecting the consultant(s)' retention and the terms of that retention by BellSouth;

(c) all documents constituting, evidencing, or reflecting the consultant(s)' work plans for the review(s), regardless of whether those plans were actually carried out;

(d) all documents, information, and materials (whether paper, electronic, or any other form) that the consultant(s) have reviewed, considered, or relied upon in connection with each review of BellSouth's OSS;

(e) all work product (whether written, electronic, or any other form) prepared by the consultant(s) in connection with the review(s) of BellSouth's OSS, including any and all analyses, memoranda, notes, interview notes, indices, summaries, logs and all other types of work product, and including, but not limited to, drafts, work papers or any preliminary reports in any form;

(f) all documents that relate to any problems, deficiencies, recommendations, or areas that were identified by the consultant(s) in BellSouth's OSS, including but not limited to documents that reflect (1) the views of the consultant(s), and (2) any responses or actions taken in response by BellSouth.

RESPONSE: See BellSouth's response to AT&T Second Document Requests Items 1 & 2.

REQUEST: Produce copies of all documents that describe, discuss, or relate to alternatives to collocation for the combination of UNEs.

RESPONSE: See attached documents.

BellSouth Interconnection Services
Suite 300
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Tucker, Georgia 30084

770 492-7500
Fax 770 621-0629

Quinton E. Sanders
Sales – Assistant Vice President
AT&T Regional Account Team

March 17, 1998

Mr. Raymond G. Crafton
Division Platform Manager
AT&T - Local Services Organization
1200 Peachtree Street, N.E.
Atlanta, Georgia 30309

Dear Ray:

In Jim Carroll's January 6, 1998 letter to Duane Ackerman, AT&T proposed four additional methods of delivery of unbundled network elements. BellSouth stated in its February 10, 1998 letter to Mr. Carroll that it would review AT&T's additional methods. BellSouth has concluded its review of these four methods of delivery.

1. AT&T's first proposal permitted CLECs to use an electronic cross-connect system for access to a loop and switch port combination (at UNE rates). BellSouth has evaluated this proposal internally and with several vendors of such equipment. Based upon BellSouth's understanding of the proposal, the electronic cross-connection equipment would be inserted in the loop path between the main distributing frame (MDF) and the central office switch. Therefore, the loop/port combination would be accomplished in the digital domain, and thus require analog to digital conversions. Such conversions would add additional expense that is not present in the other methods of delivery. It is not clear to BellSouth if AT&T is suggesting that all central office loops be connected to this system, or merely a predetermined subset of loops. If the alternative requires that only a subset of available loops be accessible by the new system, then certainly AT&T has the responsibility to specify those loops. If the alternative requires that all loops have access to the new system, then security and liability become greater issues, since access to the system would have to be opened to all CLECs. In both scenarios, a firewall or mediation device would be required. In either case, initial manual cross-connects to the new equipment would be required, resulting in labor costs in addition to the cost associated with the new electronic system and mediation device(s). In conclusion, there is a great deal of expense associated with this delivery method and as such BellSouth does not endorse the delivery method as a generic methodology.

2. The second proposal submitted by AT&T permitted CLECs to combine loops and ports (at UNE rates) through use of the "recent change" process. In order for CLECs to utilize the "recent change" process, as with the method that proposes access to

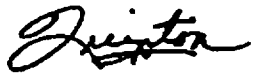
the main distribution frame, this process would require that all CLECs have direct access to BellSouth's switch translations. Such access would lead to an unacceptable higher risk of disruption and would impact of quality and reliability of service being provided to all end user customers. In addition, this proposal does not result in provision of unbundled elements individually, in effect BellSouth would under this methodology be providing a combination of two unbundled network elements.

3. AT&T's third proposal provided for the use of a joint CLEC/BellSouth vendor to disconnect and reconnect loops at the Main Distribution Frame (MDF). BellSouth will not permit CLECs to have direct access to the BellSouth MDF. The MDF was not designed for multiple users and such access would lead to an unacceptable higher risk of disruption of service to a larger population of telecommunications users when technicians from a number of different telecommunications companies have access to the network and facilities of all telecommunications companies providing service to end users from that location. Further, BellSouth's inventory systems are not equipped to handle access to the MDF. The inventory systems are not equipped to track circuit paths through the central offices and thus, would not be able to provide accurate and timely information for provisioning, maintenance and repair activities.

4. The fourth proposal offered by AT&T allows for the use of pre-wired connector blocks at the Main Distribution Frame. As BellSouth stated in response to option 3, BellSouth will not permit CLECs to have direct access to the BellSouth MDF.

Collocation remains the most efficient manner in which to combine unbundled network elements and BellSouth continues to offer collocation as the means to combining such elements. In addition to BellSouth's collocation proposal, BellSouth is still available to discuss the opportunity of a professional service arrangement with AT&T in which BellSouth would combine UNEs for AT&T at market rate.

Sincerely,



cc: Scott Schaefer
Joe Baker

BellSouth Telecommunications, Inc.
TRA Docket 97-00309
AT&T's Production of Documents
Item No. 28 - Supplemental Response
Attachment 2

BellSouth Interconnection Services
Suite 200
1980 West Exchange Place
Tucker, Georgia 30084

770 492-7980
Fax 770 621-8829

Quinton E. Sanders
Sales – Assistant Vice President
AT&T Regional Account Team

February 10, 1998

William J. Carroll
Vice President
AT&T Communications, Inc.
Room 4170
1200 Peachtree Street, NE
Atlanta, Georgia 30309

Dear Jim:

In response to your January 6, 1998 letter to Duane Ackerman, attached are BellSouth's responses to AT&T's 35 questions regarding combining unbundled network elements and collocation issues.

BellSouth continues to honor its contractual obligations with respect to the provisioning of combinations of UNEs identified by AT&T until such time as the Eighth Circuit's order becomes final and non-appealable. However, as BellSouth has stated before, if the Eighth Circuit's order is upheld, BellSouth will no longer have a legal obligation to provide combinations of unbundled network elements. BellSouth is still interested in exploring with AT&T the opportunity of a professional service arrangement in which BellSouth would combine UNEs for AT&T at market rate. Please contact me if AT&T is interested in pursuing such an arrangement.

The responses attached hereto provide the information that AT&T has requested. Should AT&T require any additional information, please address such request to me as your primary interface and contact. I will ensure that your request is handled accordingly. As your Account Team representative, I can assure you that adequate resources are available to AT&T via my staff and that such requests will be handled in an expeditious manner to meet AT&T's needs.

Sincerely,

cc: Duane Ackerman
Charlie Coe
Scott Schaefer
Elton King
Joe Baker
Scott Schaefer
Steve Inman
Alabama Public Service Commission
Florida Public Service Commission
Georgia Public Service Commission
Kentucky Public Service Commission
Louisiana Public Service Commission
Mississippi Public Service Commission
North Carolina Utilities Commission
South Carolina Public Service Commission
Tennessee Regulatory Authority

Attachment to February 10, 1998 Letter from Quinton Sanders

AT&T Questions Regarding BellSouth's Collocation Proposal Alternative Arrangements for CLEC Combination of UNEs

1. What UNEs will BellSouth provide to CLECs to combine in collocated space? Loops and ports only?

   With the exception of specific sub-loop elements that will be provided to the CLEC at the field site, BellSouth will deliver to the CLEC collocation space the following combined elements: loop and cross connect, port and cross connect, port and cross connect and common transport, port and vertical features, port and common transport, loop and LNP[1], as well as single network elements, for the purpose of CLECs combining said elements in any manner technically feasible and that performs within the parameters of the industry standards.

2. Can a CLEC pre-wire the equipment in its collocation space?

   In both a physical and virtual collocation arrangement, AT&T may pre-wire its equipment arrangement and the connection between its arrangement and the point of termination bay/frame using a vendor that has been certified by BellSouth.

3. Will BellSouth allow CLECs to share the same interoffice transport used by BellSouth?

   Yes. CLECs may access unbundled interoffice transport - shared for interoffice transport purposes. Unbundled interoffice transport - shared allows access to the interoffice transport and is charged on a per minute of use basis. The CLEC would order the unbundled port in the central office where the collocation space is present which would allow the end user traffic to be transported over shared facilities.

   Unbundled Interoffice Transport Dedicated may share the same physical facilities, fiber optic terminals, etc. An individual DS1 may be dedicated to a single CLEC, but the OC48 Fiber Optic Transport System would have multiple DS1s transiting the system.

4. Will BellSouth require that a CLEC purchase signaling separate from switching?

   Yes. As contained in the CLEC agreements and as a result of arbitration decisions in the various states, SS7 signaling is an individual unbundled network element and therefore is purchased separately from switching.

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[1] The combined elements listed above are offered by BellSouth based upon the technical limitations that do not allow them to offered separately

5. What does BellSouth propose where there is not sufficient room to collocate in central office?

   BellSouth has offered both physical and virtual collocation to AT&T. Where there is insufficient space on BellSouth's premises for physical collocation, virtual collocation can be provided.

   BellSouth does not anticipate any difficulty fulfilling requests for virtual collocation arrangements. In the event a situation arises where a virtual collocation request cannot be accommodated, BellSouth will discuss service alternatives on a case by case basis. Timely and accurate forecasts from CLECs will assist BellSouth in meeting CLEC's physical or virtual collocation needs.

6. How will BellSouth allow for the combining of loops and ports in central offices where there is no room for physical collocation?

   When there is insufficient space for physical collocation, BellSouth will offer virtual collocation. In a virtual collocation arrangement, the CLEC may then make arrangements for the combination of the UNEs.

7. Will BellSouth offer CLECs a choice of either physical or virtual collocation or will virtual collocation be made available by BellSouth only if there is no more space available for physical collocation?

   BellSouth offers CLECs a choice of either physical or virtual collocation.

8. How will BellSouth provision other UNEs for combining or recombining by CLECs?

   BellSouth will provision UNEs as described in the applicable ordering guidelines, interconnection agreement and technical references. CLECs will determine how to use the UNEs, i.e., whether to combine them with other BellSouth provided UNEs or to use them with the CLEC's own equipment.

9 How will BellSouth maintain service coordination of the loop and port connections for each CLEC customer service order?

   BellSouth offers service coordination for the individual unbundled network elements, the type of coordination being dependent upon how the network element is ordered. Such coordination should minimize the effect of transferring the end user customer from one provider to the other. This activity contemplates cooperation and coordination between the work forces of the providers involved in the transfer.

10 How will BellSouth maintain service continuity or minimize service disruption for CLEC customers during the loop and line port cut-overs?

During the process of loop conversions from BellSouth to a CLEC , the customer loop is physically removed from the BellSouth switch and then reconnected to the CLEC switch. This step is necessary to effect the conversion and does not produce lengthy interruptions of end user service. There are several options available to CLECs to reduce and virtually eliminate outage time. A CLEC can reduce the outage period by electing to have BellSouth provide manual order conversion. BellSouth also offers CLECs the option to request a specific conversion time and will then make every effort to accommodate the request.

11. Because the additional loop length caused by collocation may require loop conditioning, who will be responsible for performing the conditioning - BellSouth or the CLEC?

    There will be no significant increase to the loop length as a result of provisioning the loop to a collocation space. Typically, the loop and the associated cross-connect to the collocation space would not be any longer than the loop and the associated cabling to a BellSouth switch. BellSouth will make whatever adjustments are necessary to ensure that the unbundled loop types requested meet the appropriate performance characteristics. The CLEC would be responsible for making any adjustments between its collocation space and the CLEC switch. In addition, due to the fact that the loop is not connected to the BellSouth switch, the CLEC will be responsible for providing any switched-based conditioning.

12. When will BellSouth provide written methods and procedures documenting its proposed collocation process for combining UNEs.

    There are no unique M&Ps for the delivery of unbundled network elements to a collocation arrangement for the purpose of the CLEC combining said elements. The M&Ps developed by BellSouth for the purpose of ordering and provisioning of unbundled network elements will apply. These M&Ps have been previously provided to AT&T.

13 How many loop and line port jumper connections can BellSouth complete in a single day per central office? How many teams of technicians and shifts would this involve?

    BellSouth is committed to being the provider of choice and as such is committed to employing the appropriate forces to meet the demands of the CLECs. However, the number of connections that can be completed in a single day varies day to day and varies from C.O. to C.O. BellSouth is prepared to work orders by the due date. AT&T should refer large projects to the Account Team to assure project handling and dedicated central office personnel. In addition, AT&T should provide a service

forecast to the Account Team, which will assist BellSouth in anticipating load requirements.

14. Will BellSouth allow CLECs to obtain less than 100 square feet of collocation space solely for purposes of combining or recombining the necessary UNEs? If so, how will BellSouth reduce its existing charges for collocation space?

    Physical collocation arrangements can be used for the provisioning of any telecommunications service including combining or recombining unbundled network elements. BellSouth will allow CLECs to obtain less than 100 square feet for Physical Collocation when an equipment arrangement enclosure is not utilized. Where an enclosure is requested, OSHA requirements dictate that at least 100 sq. ft. be utilized. Rates and charges for collocation space are set forth in the agreement and will be assessed based on the shadow print of the arrangement plus a factor which includes maintenance and wiring aisle space.

    Rates, terms and conditions for Virtual Collocation are contained in BellSouth's FCC #1 tariff, Section 20.

15. Will BellSouth allow CLECs to combine UNEs without collocation?

    BellSouth's policy is to deliver UNEs to a CLEC's collocation space for the purpose of combining unbundled network elements. AT&T has proposed several delivery methods in its January 6, 1998 letter. BellSouth is reviewing these methods.

16 Is BellSouth combining any components of its network or elements today via an electronic connection using a remote terminal? If so, which ones?

    BellSouth uses a variety of network management systems to manage its network. AT&T and other CLECs have a variety of options available to them to manage their network management systems.

17. Will BellSouth permit CLECs to have direct access to the BellSouth main distribution frame (MDF)?

    No. As the MDF was not designed for multiple users, such access will lead to an unacceptable higher risk of disruption of service to a large population of telecommunications users when technicians from a number of different telecommunications companies have access to the network and facilities of all telecommunications providing service to end users from that location. Further, BellSouth's inventory systems are not equipped to handle access to the MDF. The inventory systems are not equipped to track circuit paths through the central offices and thus, would not be able to provide accurate and timely information for provisioning maintenance and repair activities.

18. Will BellSouth provide CLECs access to its engineering records, as the records need to be updated to reflect the new loop length to ensure MLT testing works properly?

Metallic Loop Testing (MLT) does not rely on individual records to determine test parameters and, therefore, CLEC's do not need access to engineering records for such testing purposes.

19. How will maintenance of the combined unbundled elements work?

Unbundled network elements delivered to the CLEC's collocation space will be maintained by BellSouth in the same manner that such element was delivered to CLEC. In other words, each individual element can be tested to determine performance specifications.

20. Please describe all BellSouth methods and procedures to describe how it will separate already-combined elements and how CLECs will "recombine" these elements? If such methods and procedures do not yet exist, when will they be completed and made available to CLECs?

BellSouth recognizes that under the current agreements executed with AT&T, BellSouth may not disconnect those elements that are already combined. However, once the Eighth Circuit's decision becomes final and non-appealable, the combination provisions in the agreements will have to be revisited.

However, for purposes of answering this question, there are no unique M&Ps to provide unbundled network elements to AT&T for the purpose of AT&T combining these unbundled network elements. BellSouth offers order coordination for the purpose of transferring a BellSouth customer to an AT&T customer where AT&T intends to utilize unbundled network elements to provide service to that same customer.

21. What OSS impacts are anticipated from BellSouth's "collocation" proposal? What OSS will BellSouth access/utilize to separate already combined elements and to allow CLECs to "recombine" elements? How will BellSouth provide CLECs access to these OSS?

There are no OSS impacts due to BellSouth's collocation proposal. Collocation is ordered pursuant to Attachment 3 of the Interconnection Agreement. AT&T will utilize the OSSs set forth in Attachment 15 of the Interconnection Agreement to order individual network elements for the purpose of BellSouth delivering the unbundled network elements to AT&T's collocation space so AT&T can combine those unbundled network elements. Order coordination is available as set forth in BellSouth's response to number 20.

22. What impact does BellSouth's "collocation" proposal have on engineering and inventory records? What records will BellSouth access or modify to separate already connected elements? What records will need to be accessed and/or updated for a CLEC to complete recombination of UNEs? What is BellSouth's plan to accurately maintain such records? How will multiple CLECs using recombined UNEs be given access to BellSouth's engineering and inventory records?

The engineering and inventory records will be modified to reflect the delivery of the individual unbundled network elements to the collocation space, and will not be inventoried as services delivered to the end user.

BellSouth will have an inventory of the individual unbundled network elements delivered to the collocation space. BellSouth will not have any record of what the CLEC does with the individual unbundled network elements once they are delivered.

The CLEC will not require access to BellSouth's system for recombination of elements by the CLEC because the CLEC has assignment control at the collocation arrangement and can control where each unbundled element is delivered.

23. Has BellSouth investigated any alternatives to collocation for the recombination of network elements (for example, providing CLECs direct access to BellSouth's network equipment for physical recombining or logical separation and recombining)? If so, please describe these alternatives and explain BellSouth's reasons for not making these alternatives available to CLECs prior to this date? If not, when will any such investigation be done?

BellSouth has examined the offerings of various incumbent local exchange companies and has determined that, at present, collocation is the most appropriate arrangement for CLECs to combine unbundled network elements. AT&T proposed several alternatives to collocation in its January 6, 1998 letter to Duane Ackerman. BellSouth is investigating the feasibility of these alternatives.

24. How many customers will BellSouth be able to convert in each of its central offices per day when collocation is used to combine a loop and port?

See response to Issue 13

25. How many collocation arrangements can BellSouth accommodate per month per state?

BellSouth is committed to being the provider of choice and as such is continuing to improve its processes to become more efficient and expedient in fulfilling collocation requests.

Collocation arrangements shall be provisioned in accordance with Attachment 3 of the Interconnection Agreement. The number of arrangements that can be accommodated depends on the location, the number or requests, the work associated with each request and the commitment of both parties to jointly prioritize and plan implementation of the collocation arrangements requested.

A reasonable estimate of the locations and volume that AT&T is projecting would enhance BellSouth's ability to respond.

26. What is the availability of collocated space in each BellSouth central office? Please describe any limitations which may exist.

This question is overly broad in that there are approximately 1600 Central Offices in the BellSouth region (See NECA Tariff FCC No. 4 for a complete list of central offices). Responding to this question for each central office would require a colossal effort on BellSouth's part. However, to address your question, each request for collocation must be evaluated for space availability on an individual case basis. Availability is determined at the time a collocation application is submitted to BellSouth with the appropriate application fee.

27. Assuming a CLEC has pre-wired loop and switch connections in its collocation space to blocks on BellSouth MDF and/or IDF frames, what is the expected duration of customer down time for conversion of an existing BellSouth customer to a UNE CLEC customer?

The customer down time may vary depending upon whether coordination is required, the telephone number is ported, it is a designed or non-designed circuit and the type of frame in the central office.

28. How does BellSouth propose to remedy the provisioning/service parity issues associated with its collocation proposal e.g., (1) electronic provisioning vs. manual provisioning; (2) additional loop lengths and additional connections; (3) additional possible points of failure?

BellSouth is not aware of any provisioning/service parity issues associated with BellSouth's collocation proposal.

BellSouth does not electronically provision BellSouth customers on its own mainframe. This is a manual process requiring the use of BellSouth work forces to run jumpers.

BellSouth is not aware of any provisioning/service parity issue associated with BST's unbundled loop lengths. No additional loop lengths should be added on unbundled loops. The unbundled loop will be handed off to the CLEC at its

collocation space through a tie cable that replaces the tie cable that would normally route the loop to the switch. Additional connections may or may not be applicable on the BST side of the collocation space; however, the element delivered to the collocation space will perform in accordance with the industry standards and service performance parameters found in Attachment 2 of the Interconnection Agreement.

29. Will BellSouth allow a CLEC to collocate in a BellSouth remote switching site (location where it has a remote switching module)?

    BellSouth will allow a CLEC to collocate on a BellSouth Premises (as "Premises" has been defined by the FCC's rules and regulations). BellSouth's position regarding collocation is the same regardless of the type of switching system used at a given central office.

30. Will BellSouth require AT&T to execute a "Master Collocation Agreement" or other agreement(s) before BellSouth will make collocation available to AT&T? If so, please provide a copy of this agreement(s). Are there any modifications needed to AT&T Interconnection Agreement(s) with BellSouth in any states before BellSouth will make collocation available to AT&T? If so, what are they?

    AT&T will not be required to execute a "Master Collocation Agreement", as collocation is already incorporated into the AT&T Interconnection Agreements with BellSouth. BellSouth believes that no additional modifications are required to the existing collocation section of the Interconnection Agreement. If AT&T's opinion differs, BellSouth will be glad to discuss this issue.

31. What intervals will BellSouth commit to as to the provision of requests for collocation?

    Request for collocation will be provisioned in accordance with Attachment 3, Section 2.2.18 of the Interconnection Agreement.

32. Has BellSouth tested, deployed facilities and/or personnel to assure itself that these intervals can be met? What remedies, if any, does BellSouth propose for CLECs if these intervals are not met?

    BellSouth has negotiated interval dates with the CLECs and has been meeting those dates. BellSouth requests that CLECs provide all information required on the application to design the collocation space and obtain a building permit. BellSouth will stay in constant communication with the CLEC. If there is any problem with meeting the negotiated dates, BellSouth will notify the CLEC.

Pursuant to the AT&T/BellSouth Interconnection Agreement, BellSouth will reimburse AT&T in an amount equal to the AT&T expenditure incurred as a direct result of delays caused by BellSouth in the negotiated completion and turnover dates.

33. What costs are associated with BellSouth's collocation proposal? Please itemize all individual costs. What information will BellSouth provide to establish that such costs are "just, reasonable and nondiscriminatory?"

The costs associated with BellSouth's collocation proposal were provided in various proceedings throughout the BellSouth states. AT&T participated in all those proceedings. Collocation rates are contained in the interconnection agreement entered into between BellSouth and AT&T.

34. Does BellSouth have any actual commercial usage data from any of its states using physical collocation arrangements for purposes of allowing CLECs to combine UNEs? In other words, what testing has been done?

No unique testing is needed for the delivery of UNEs to a CLEC's collocation space. BellSouth has accepted orders and successfully delivered unbundled network elements to collocator's space for the purpose of the CLEC providing telecommunication services to end user customers.

35. How will BellSouth provision individual loops that currently are provisioned using integrated digital loop carriers for combining with local ports?

BellSouth will provision individual loops that currently are provisioned using integrated digital loop carriers for combining with local ports pursuant to Attachment 2, Section 3 of the Interconnection Agreement. Thus, BST will "roll" the loop from the IDLC onto a universal DLC or other alternate facility at no extra charge. If no alternate facility exists, BST will utilize its existing Special Construction Process to determine what additional costs would be required to provide an unbundled loop to that end-user's location. Once these loops are "un-integrated" they would be provisioned to the CLEC's collocation space to be combined with other elements as the CLEC chooses to combine them.

BellSouth Telecommunications, Inc.
TRA Docket 97-00309
AT&T's Production of Documents
Item No. 28 - Supplemental Response
Attachment 3

BELLSOUTH

BellSouth Telecommunications, Inc.
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Atlanta, Georgia 30375

404 927-7020
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Mark L. Feidler
President – Interconnection Services

January 19, 1998

William J. Carroll
Vice President
AT&T Communications, Inc.
Room 4170
1200 Peachtree Street, NE
Atlanta, Georgia 30309

Dear Jim:

I am in receipt of your letter dated January 6, 1998 to Duane Ackerman. First, let me assure you that as Duane states in his letter of January 9, 1998, to Mike Armstrong, he is fully aware of the issues raised in your letter, and that he fully supports local competition and AT&T's entrance into the local market.

Quinton Sanders, Sales Assistant Vice President - AT&T Account Team, is AT&T's primary interface and contact for the BellSouth resources supporting AT&T. Quinton will also be responsible for ensuring that AT&T receives appropriate responses to the questions raised in AT&T's January 6 letter to Duane Ackerman.

As stated in my September 12, 1997 letter, the AT&T/BellSouth Interconnection Agreements currently require BellSouth to accept orders for and provision combinations of UNEs identified by AT&T. BellSouth intends to continue to honor those obligations during the pendency of the appeal of the 8th Circuit's order. To that end, it is my understanding that our companies have been working on and testing the necessary procedures for combined elements and that the work is progressing.

Your letter of January 6, 1998, was the first time, to BellSouth's knowledge, that AT&T has expressed any interest in implementing the sections of the agreement that address delivery of uncombined UNEs to AT&T for the purposes of AT&T combining the elements.

BellSouth is receptive to discussing the matters raised by AT&T in its letter, including BellSouth's collocation proposal, for the delivery of uncombined elements as well as a possible "glue charge." If the 8th Circuit's order is upheld, BellSouth will have no legal obligation to

provide combinations of unbundled network elements. BellSouth, nonetheless, welcomes the opportunity to explore with AT&T a professional service arrangement in which BellSouth would combine UNEs for AT&T at market rates. Such discussions can result in the preparation of an amendment to the interconnection agreement that can be incorporated after the 8th Circuit's order is upheld.

Please contact Quinton Sanders should you need any additional information, otherwise, you may expect a response addressing the other issues raised in your letter in a couple of weeks.

Sincerely,

M. L. Feidler

Mark Feidler

cc: Duane Ackerman
Charlie Coe
Elton King
Joe Baker
Quinton Sanders
Scott Schaefer
Steve Inman

BellSouth Corporation
Suite 2000
1155 Peachtree Street, N.E.
Atlanta, Georgia 30309-2610

F. Duane Ackerman
Chairman and
Chief Executive Officer

404 249-4828

January 9, 1998

Mr. C. Michael Armstrong
Chairman of the Board and Chief Executive Officer
AT&T
295 North Maple Avenue
Basking Ridge, NJ 07920

Dear Mike:

On January 6, 1998, I received the attached letter from William J. (Jim) Carroll of AT&T. This is the latest in a series of letters to me personally from Mr. Carroll over the past two years regarding interconnection issues between AT&T and BellSouth. BellSouth repeatedly has advised Mr. Carroll that interconnection issues are the responsibility of BellSouth Telecommunications, Inc., not BellSouth Corporation, and we have provided Mr. Carroll with officer level contacts at BellSouth Telecommunications to address AT&T's concerns.

On May 23, 1997, Walter H. Alford, BellSouth's Executive Vice President and General Counsel, wrote to John Zeglis reiterating that interconnection negotiations were being handled by the operating company, not the holding company, within BellSouth. Mr. Alford requested that Mr. Zeglis ask Mr. Carroll to deal with the appropriate people at BellSouth Telecommunications. Notwithstanding both my request to Mr. Carroll and Mr. Alford's request to Mr. Zeglis, Mr. Carroll continues to write to me.

Mr. Carroll's latest letter appears to be written for purposes other than a legitimate request for information. Mr. Carroll requests my "personal written response by January 14, 1998 as to (1) who at BellSouth [I] will hold responsible for answering the questions attached to this letter and (2) that responses to these questions from those individuals will be provided by January 30, 1998." There is attached to the letter a series of 35 numbered questions, some with many parts, that read more like legal interrogatories than sincere requests for information. For example, question 24 states: "How many customers will BellSouth be able to convert in each of its central offices per day when collocation is used to combine a loop and port?" Question 26 states: "What is the availability of collocation space in each BellSouth central office? Please describe any limitations which may exist." As you may know, and as Mr. Carroll certainly knows, BellSouth has over 1600 central offices spread across its nine-state region. Answering such broad questions would

require a colossal effort by BellSouth, the benefits of which are not apparent. Mr. Carroll's motivation for writing his latest letter is also called into question by his sending copies to each of the state regulatory agencies in the BellSouth region.

Mike, BellSouth considers AT&T an extremely valuable customer, and wishes to cooperate with AT&T to the maximum extent possible. BellSouth also is fully cognizant of its obligations under Telecommunications Act of 1996 to facilitate the entry of AT&T and others into the local exchange market. We have spent hundreds of millions of dollars and dedicated hundreds of people to meeting those obligations. The appropriate BellSouth people would be happy to meet with Mr. Carroll or his designates to review the type of technical questions raised in his letter to me. It is not necessary for Mr. Carroll to write to me personally to secure the cooperation of BellSouth.

If you believe that any of these matters require escalation, please let me know, and I will be happy to meet with you at your convenience.

Sincerely,

F. Duane Ackerman

attachment

cc: William J. Carroll
Mark Feidler
Elton King

William J. (Jim) Carroll
Vice President

Room 4170
1200 Peachtree St., NE
Atlanta, GA 30309
404 810-7262

January 6, 1998

Mr. Duane Ackerman
President and Chief Executive Officer
BellSouth Corporation
Suite 2010
1155 Peachtree Street, N.E.
Atlanta, Georgia 30309

Dear Duane:

As you know, since passage of the Telecommunications Act of 1996, AT&T has attempted to obtain access to combinations of unbundled network elements (UNEs) provisioned by BellSouth. To date, these efforts have yet to produce results. We still are unable to order combinations of UNEs and receive all the usage data and functionalities inherent in those UNEs. This lack of progress was confirmed by the FCC in its recent order denying BellSouth's application to provide interLATA services in South Carolina. Given AT&T's repeated attempts to find ways to provide local service to our customers using combinations of UNEs provisioned by BellSouth, this lack of progress is extremely disappointing.

Duane, the purpose of this letter is to request your personal assistance in moving forward BellSouth's provisioning of combinations of UNEs to AT&T. In the past, when I have written you about the lack of progress in our efforts to open the local telephone market to competition, you have had others at BellSouth respond to our concerns. Although I regret having to seek your personal assistance on the multitude of details associated with combinations of UNEs that are outlined in this letter, frankly nothing else has worked. I am hopeful that if you get involved, progress will be made. Accordingly, as one of your principal customers, I request your personal written response by January 14, 1998 as to (1) who at BellSouth you will hold accountable for answering the questions attached to this letter and (2) that responses to those questions from those individuals will be provided by January 30, 1998.

Mr. Duane Ackerman
Page Two
January 6, 1998

But before I get to specifics, I first would like to highlight what the FCC said in its South Carolina order regarding combinations of UNEs in to provide the context for this request. As you will recall, the FCC stated that "...BellSouth has not demonstrated that it can make available as a legal and practical matter access to unbundled network elements in a manner that allows competing carriers to combine them. In particular, BellSouth has failed to demonstrate that it can provide access to such elements through the one method it has identified for such access - collocation." (Order at ¶ 182.)

The FCC raised numerous concerns about BellSouth's "collocation proposal" which we also have shared for some time now. In particular, we believe your "collocation proposal" will lead to:

- significant delays in opening the local market to competition;
- unacceptable disruptions to customer service;
- unnecessary and exorbitant expenses for your competitors and, thus, our customers; and
- increased points of failure in the network.

Further, your "collocation proposal" is not at parity with the manner in which BellSouth itself provisions and uses individual and combinations of UNEs to provide service.

Although we believe there are significant flaws in your "collocation proposal" (given that BellSouth has not provided adequate details either in public documents or in oral representations to us), we remain open-minded and interested in learning more about *what* BellSouth will provide, the *method* in which it will be provided, and the *terms* on which it will be provided. Thus, once again, I request BellSouth's written responses to the questions attached to this letter by January 30, 1997. Additionally, face-to-face discussions between the accountable BellSouth personnel and appropriate AT&T personnel would facilitate understanding of BellSouth's proposed arrangements. We are ready and willing to meet with the BellSouth personnel you identify in your January 14, 1998 response to discuss or clarify these questions. Duane, as you can see from the list of attached questions, there are many unanswered issues that must be addressed before AT&T can seriously consider your "collocation proposal."

Furthermore, because your "collocation proposal" is only one way to permit new entrants to combine UNEs, we also suggest that we discuss other potential alternatives which are consistent with the 8th Circuit's decisions. Specifically, several alternatives were set forth in AT&T's Comments to the FCC regarding BellSouth's application to provide interLATA services in Louisiana. Although each of these alternatives also may introduce unnecessary service disruption and expense, we believe each is preferable to your "collocation proposal." These include: (1) electronic means of combining analog loops with ports similar to the existing digital cross-connection systems (e.g. DACS) for digital services; (2) use of the recent change process in BellSouth's switches to disconnect and reconnect loops and ports; (3) use of a joint CLEC/BellSouth vendor to disconnect and reconnect loops at the main distribution frame; and (4) use of pre-wired connector blocks at the main distribution frame. Please also personally confirm in writing in your January 14, 1998 response whether BellSouth will negotiate with AT&T regarding any of these alternatives for allowing CLECs to combine UNEs, and if so, the appropriate BellSouth personnel who will be responsible for such negotiations with AT&T.

As but yet another alternative, and as suggested by FCC Commissioner Powell in his Separate Statement to the South Carolina decision, we also would like to begin negotiations with BellSouth "regarding combinations of UNEs whereby BellSouth would voluntarily recombine elements for a modest charge – a glue charge." To this end, please also confirm in your January 14, 1998 response whether BellSouth will pursue such negotiations, and if so, the appropriate BellSouth personnel who will be responsible for such negotiations with AT&T.

In closing, these requests to explore alternative means of combining UNEs do not affect and should not be construed as a waiver of any AT&T rights to continue to pursue the availability of combinations of UNEs in accordance with the positions previously and currently advocated by AT&T before state regulatory bodies, state courts, federal district courts, federal courts of appeal, the FCC and the U.S. Supreme Court. Nor should this request be construed as an admission by AT&T that BellSouth can satisfy its obligation to make combinations of UNEs available to CLECS by using BellSouth's "collocation proposal" or any of the alternatives identified above, including the payment of a "glue charge" by AT&T. Finally, by this request, AT&T is not waiving any rights to enforce any state arbitration orders, any resulting interconnection agreements with BellSouth, and/or related state regulatory orders or decisions.

Mr. Duane Ackerman
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January 6, 1998

If the promised benefits of the Telecommunications Act of 1996 are to be realized by consumers so that they have a choice in local service providers, efforts to open the local telephone market must continue and it is in that spirit that I am requesting your personal assistance on these very critical issues.

I look forward to your response.

Sincerely,

William J. Carroll

Attachment
cc: Elton King-BellSouth
Mark Feidler-BellSouth
Alabama Public Service Commission
Florida Public Service Commission
Georgia Public Service Commission
Kentucky Public Service Commission
Louisiana Public Service Commission
Mississippi Public Service Commission
North Carolina Utilities Commission
South Carolina Public Service Commission
Tennessee Regulatory Authority

ATTACHMENT to letter from William J. Carroll to F. Dunne Ackerman dated January 6, 1998

Questions Regarding BellSouth's Collocation Proposal and Alternative Arrangements for CLEC Combination of UNEs

1. What UNEs will BellSouth provide to CLECs to combine in collocated space? Loops and ports only?

2. Can a CLEC pre-wire the equipment in its collocation space?

3. Will BellSouth allow CLECs to share the same interoffice transport used by BellSouth?

4. Will BellSouth require that a CLEC purchase signaling separate from switching?

5. What does BellSouth propose where there is not sufficient room to collocate in a central office?

6. How will BellSouth allow for the combining of loops and ports in central offices where there is no room for physical collation?

7. Will BellSouth offer CLECs a choice of either physical or virtual collocation or will virtual collocation be made available by BellSouth only if there is no more space available for physical collocation?

8. How will BellSouth provision other UNEs for combining or recombining by CLECs?

9. How will BellSouth ensure coordination of the loop and port connections for each CLEC customer service order?

10. How will BellSouth maintain service continuity or minimize service disruption for CLEC customers during the loop and line port cutovers?

11. Because the additional loop length caused by collocation may require loop conditioning, who will be responsible for performing the conditioning -- BellSouth or the CLEC?

12. When will BellSouth provide written methods and procedures documenting its proposed collocation process for combining UNEs?

13. How many loop and line port jumper connections can BellSouth complete in a single day per central office? How many teams of technicians and shifts would this involve?

14. Will BellSouth allow CLECs to obtain less than 100 square feet of collocation space solely for purposes of combining or recombining the necessary UNEs? If so, how will BellSouth reduce its existing charges for collocation space?

15. Will BellSouth allow CLECs to combine UNEs without collocation?

16. Is BellSouth combining any components of its network or elements today via an electronic connection using a remote terminal? If so, which ones?

17. Will BellSouth permit CLECs to have direct access to the BellSouth main distribution frame (MDF)?

18. Will BellSouth provide CLECs access to its engineering records, as the records need to be updated to reflect the new loop length to ensure MLT testing works properly?

19. How will maintenance of the combined unbundled elements work?

20. Please describe all BellSouth methods and procedures to describe how it will separate already-combined elements and how CLECs will "recombine" these elements? If such methods and procedures do not yet exist, when will they be completed and made available to CLECs?

21. What OSS impacts are anticipated from BellSouth's "collocation" proposal? What OSS will BellSouth access/utilize to separate already combined elements and to allow CLECs to "recombine" elements? How will BellSouth provide CLECs access to these OSS?

22. What impact does BellSouth's "collocation" proposal have on engineering and inventory records? What records will BellSouth access or modify to separate already connected elements? What records will need to be accessed and/or updated for a CLEC to complete recombination of UNEs? What is BellSouth's plan to accurately maintain such records? How will multiple CLECs using recombined UNEs be given access to BellSouth's engineering and inventory records?

23. Has BellSouth investigated any alternatives to collocation for the recombination of network elements (for example, providing CLECs direct access to BellSouth's network equipment for physical recombining or logical separation and recombining)? If so, please describe these alternatives and explain BellSouth's

reasons for not making these alternatives available to CLECs prior to this date? If not, when will any such investigation be done?

24. How many customers will BellSouth be able to convert in each of its central offices per day when collocation is used to combine a loop and port?

25. How many collocation arrangements can BellSouth accommodate per month per state?

26. What is the availability of collocated space in each BellSouth central office? Please describe any limitations which may exist.

27. Assuming a CLEC has pre-wired loop and switch connections in its collocation space to blocks on BellSouth MDF and/or IDF frames, what is the expected duration of customer down time for conversion of an existing BellSouth customer to a UNE CLEC customer?

28. How does BellSouth propose to remedy the provisioning/service parity issues associated with its collocation proposal e.g., (1) electronic provisioning vs. manual provisioning; (2) additional loop lengths and additional connections; (3) additional possible points of failure?

29. Will Bell South allow a CLEC to collocate in a BellSouth remote switching site (location where it has a remote switching module)?

30. Will BellSouth require AT&T to execute a "Master Collocation Agreement" or other agreement(s) before BellSouth will make collocation available to AT&T? If so, please provide a copy of this agreement(s). Are there any modifications needed to AT&T's Interconnection Agreement(s) with BellSouth in any states before BellSouth will make collocation available to AT&T? If so, what are they?

31. What intervals will BellSouth commit to as to the provision of requests for collocation?

32. Has BellSouth tested, deployed facilities and/or personnel to assure itself that these intervals can be met? What remedies, if any, does BellSouth propose for CLECs if these intervals are not met?

33. What costs are associated with BellSouth's collocation proposal? Please itemize all individual costs. What information will BellSouth provide to establish that such costs are "just, reasonable and nondiscriminatory?"

34. Does BellSouth have any actual commercial usage data from any of its states using physical collocation arrangements for purposes of allowing CLECs to combine UNEs? In other words, what testing has been done?

35. How will BellSouth provision individual loops that currently are provisioned using integrated digital loop carriers for combining with local ports?

REQUEST: Produce all work papers and other documents provided to, created by, or used by, Ernst & Young, LLP in preparing any and all analyses of BellSouth's OSS.

RESPONSE: See BellSouth's response to AT&T's Second Document Requests Items 1 & 2.

CERTIFICATE OF SERVICE

I hereby certify that on March 24, 1998, a copy of the foregoing document was served on the parties of record, via facsimile or hand delivery addressed as follows:

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