Jim Lamoureux
Senior Attorney
Law and Government Affairs
Southern Region
jlamoureux@att.com

RECD TN REGULATORY AUTH.
'00 OCT 2 PM 3 31
EXECUTIVE SECRETARY

Promenade 1
1200 Peachtree Street N.E.
Atlanta, GA 30309
404 810 4196
FAX: 404 810 5901

October 2, 2000

By Hand

David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Re: *Proceeding to Establish "Permanent Prices" for Interconnection and Unbundled Network Elements*
Docket No. 97-01262

Dear Mr. Waddell:

Pursuant to the TRA's Request at the Sunshine Conference on August 29, 2000, enclosed are the original and thirteen copies of AT&T's Comments on Revised BellSouth Cost Studies. AT&T did call the Executive Secretary's office on September 29, 2000 and requested an extension to file today.

If you have questions, please call me.

Sincerely,

Jim Lamoureux

Encls.

cc: Counsel for all Parties of Record (w/encls.)

POSTED 10-3-00

BEFORE THE
TENNESSEE REGULATORY AUTHORITY

In Re: Petition to Convene A Contested Case Proceeding to Establish Permanent Prices for Interconnection and Unbundled Elements	))))	Docket No. 97-01262

AT&T'S COMMENTS CONCERNING BELLSOUTH'S JUNE 1, 2000 COST STUDIES

Pursuant to the request issued by the Authority on August 29, 2000, AT&T Communications of the South Central States, Inc. ("AT&T") hereby submits its comments concerning the cost studies for certain unbundled network element combinations (i.e., loop and transport combinations) filed by BellSouth on June 1, 2000, in this proceeding. Although such combinations were never considered in the hearings in this proceeding, AT&T agrees that BellSouth must provide such combinations and that rates must be established. However, because BellSouth's cost studies for these combinations were never subject to the review of a hearing, it is vitally important that the Authority and the Staff subject BellSouth's cost studies to particularly close scrutiny. AT&T has adjusted BellSouth's cost studies and proposed rates in accordance with the following comments. AT&T's proposed rates are included in Attachment A to these comments.

It appears to AT&T that the recurring rates proposed by BellSouth conform to earlier decisions by the Authority in this proceeding. Accordingly, AT&T has no comments concerning the recurring cost studies or the recurring rates proposed by BellSouth for loop-transport combinations.

AT&T is concerned, however, with the non-recurring rates proposed by BellSouth for loop-transport combinations. BellSouth's non-recurring cost studies should be non-

discriminatory and should not impose prohibitive barriers to competitive entry. The non-recurring cost studies also should reflect forward-looking assumptions and competitive efficiencies, such as direct access to BellSouth's OSS and minimal or no manual activities. Moreover, BellSouth's non-recurring cost studies should not reflect the imposition of workgroups and activities upon CLECs that BellSouth does not use in its own retail operations. Activities associated with manual assistance due to errors in the network management systems and databases do not benefit customers and are unnecessary in a forward-looking environment. This is because efficiently managed systems do not experience these errors. Most, if not all fallout from OSS is a result of mismatching data from one system to the other. Maintaining the accuracy of these databases is a function of normal day-to-day maintenance and is recovered through recurring costs. Poorly maintained systems result in higher recurring costs. Such non-recurring manual activities are a function of embedded inefficiencies, and result in costs for which CLECs should not compensate BellSouth. To reflect these assumptions, AT&T has eliminated from BellSouth's cost studies all non-recurring costs that have no justification in a forward-looking network architecture and efficient provisioning process (See Attachment A). For example, BellSouth introduces unnecessary workgroups and costs in the CLEC provisioning process, which BellSouth's own retail operations do not incur. Such workgroups as the Local Customer Service Center (LCSC) and the UNE Center (UNEC)/Access Customer Advocate Center (ACAC) are intermediary work groups which are not intended for efficient operations, and are completely unnecessary in an automated world using efficient, forward-looking OSS. Additionally, AT&T has adjusted work times for certain work group activities to reflect more forward-looking

assumptions. Most of these changes are necessary to reflect consistent application of work times between individual UNE studies covering similar work routines.

Fiber technology and intelligent digital and optical support equipment also provide for remote electronic access and mechanized efficiencies for installing, disconnecting and re-arranging UNEs and UNE combinations. Nonetheless, BellSouth has assumed 100% manual work by a host of work centers. While some "fallout" may be appropriate, BellSouth's 100% assumption is inappropriate in a forward-looking cost study. AT&T has adjusted this assumption, so that for those work groups that should be involved if an electronic mechanized order were to "fall-out" of the provisioning process, AT&T assumes BellSouth's affected work centers will be manually involved 10% of the time.

AT&T has adjusted BellSouth's cost studies to be more consistent with the forward-looking requirements of the FCC's UNE pricing rules. AT&T requests that the TRA adopt rated for loop transport combinations as set forth in Attachment A rather than the rates proposed by BellSouth.

Respectfully submitted,

Jim Lamoureux
AT&T Communications of the South
Central States, Inc.
1200 Peachtree Street, N.E.
Atlanta, Georgia 30309
(404) 810-4196

Attorney for AT&T Communications of the
South Central States, Inc.

October 2, 2000

NASHVILLE, TENNESSEE

In Re: Contested Case Proceeding to Establish Final Cost Based Rates for Interconnection and Unbundled Network Elements

Docket No: 97-01262

CERTIFICATE OF SERVICE

I, James P. Lamoureux, hereby certify that I have served a copy of the foregoing to the following counsel of record via U. S. First Class Mail, postage paid, this 2nd day of October, 2000.

James P. Lamoureux

Guy M. Hicks, Esq.
BellSouth Telecommunications, Inc.
Suite 2101
333 Commerce Street
Nashville, TN 37201-3300

Jon E. Hastings, Esq.
Boult, Cummings, Conners, & Berry PLC
Suite 1600, 414 Union Street
Nashville, TN 37219

Henry Walker, Esq.
Boult, Cummings, Conners & Berry, PLC
Suite 1600, 414 Union Street
Nashville, TN 37219

Charles B. Welch, Jr., Esq.
Farris, Mathews, Gilman, Branan
& Hellen, P.L.C.
511 Union Street, Suite 2400
Nashville, TN 37219

L. Vincent Williams, Esq.
Consumer Advocate Division
Cordell Hull Building, Second Floor
426 Fifth Avenue North
Nashville, TN 37243-0500

Jonathan E. CAnis
Enrico C. Soriano
Intermedia Communications
Kelley Drye & Warren LLP
1200 19th Street, N.W. Ste. 500
Washington, D.C. 20036

Benjamin W. Fincher, Esq.
Sprint Communications Co., L.P.
3100 Cumberland Circle
Atlanta, GA 30339

Dana Shaffer, Esq.
105 Molloy Street, Suite 300
Nashville, TN 37201

Dan H. Elrod, Esq. and
Kenneth M. Bryant, Esq.
Trabue, Sturdivant & DeWitt
2500 Nashville City Center
511 Union Street
Nashville, TN 37219-1738

H. LaDon Baltimore, Esq.
Farrar & Bates, L.L.P.
211 Seventh Avenue North, Suite 320
Nashville, TN 37219-1823

James Wright, Esq.
United Telephone-Southeast
14111 Capitol Blvd.
Wake Forest, NC 27587

William C. Carriger, Esq.
Strang, Fletcher, Carriger, Walker,
Hodge & Smith
One Union Square, Suite #400
Chattanooga, TN 37402

BellSouth TELRIC Calculator
Unbundled Network Cost Elements Summary Report
Tennessee

	Cost Element	AT&T Proposed						BellSouth Proposed					
		Recurring	Non Recurring	Non-Recurring First	Non-Recurring Additional	Non-Recurring Initial	Non-Recurring Subsequent	Recurring	Non Recurring	Non-Recurring First	Non-Recurring Additional	Non-Recurring Initial	Non-Recurring Subsequent
P.0	UNBUNDLED LOOP COMBINATIONS												
P.1	2-WIRE VOICE GRADE LOOP WITH 2-WIRE LINE PORT												
P.1.1	2-Wire Voice Grade Loop	13.93						13.93					
P.1.2	Exchange Port - 2-Wire Line Port	1.27						1.27					
P.1.3	2-Wire Voice Grade Loop / Line Port Combination - Non-recurring Costs			0.29	0.29					1.03	0.29		
P.1.4	2-Wire Voice Grade Loop / Line Port Combination - Incremental Cost - Manual Svc Order vs. Electronic			30.89	7.03					30.89	7.03		
P.1.5	2-Wire Voice Grade Loop / Line Port Combination - Subsequent Database Update - Non-recurring Costs						0.00						0.76
P.1.6	2 - Wire Voice Grade Loop / Line Port Combination - Subsequent Database Update - Incremental Cost Manual Service Order vs. Electronic Service Order						7.97						7.97
P.3	2-WIRE VOICE GRADE LOOP WITH 2-WIRE DID TRUNK PORT												
P.3.1	2-Wire Voice Grade Loop	10.67						10.67					
P.3.2	Exchange Port - 2-Wire DID Trunk Port	8.26						8.26					
P.3.3	2-Wire Voice Grade Loop / 2-Wire DID Trunk Port Combination - Non-recurring Costs			0.85	0.74					8.76	5.75		
P.3.4	2-Wire Voice Grade Loop / 2-Wire DID Trunk Port Combination - Incremental Cost - Manual Svc Order vs. Electronic			41.43	9.80					41.43	9.80		
P.4	2-WIRE ISDN DIGITAL GRADE LOOP WITH 2-WIRE ISDN DIGITAL LINE SIDE PORT												
P.4.1	2-Wire ISDN Digital Grade Loop	18.13						18.13					
P.4.2	Exchange Port - 2-Wire ISDN Line Side Port	15.72						15.72					
P.4.3	2-Wire ISDN Digital Grade Loop / 2-Wire ISDN Line Side Port Combination - Non-recurring Costs					0.33	0.33					117.23	117.23
P.4.5	2-Wire ISDN Digital Grade Loop / 2-Wire ISDN Line Side Port Combination - Non Feature Subsequent Activity - Non-recurring Costs		0.14						212.88				
P.5	4-WIRE DS1 DIGITAL LOOP WITH 4-WIRE ISDN DS1 DIGITAL TRUNK PORT												
P.5.1	4-Wire DS1 Digital Loop	61.74						61.74					
P.5.2	Exchange Port - 4-Wire ISDN DS1 Digital Trunk Port	73.62						73.62					
P.5.3	4-Wire DS1 Digital Loop / 4-Wire ISDN DS1 Digital Trunk Port Combination - Non-recurring Costs			16.63	16.63					328.53	328.53		
P.5.5	4-Wire DS1 Digital Loop / 4-Wire ISDN DS1 Digital Trunk Port Combination - Subsequent Channel Activation - Per Channel		0.94						28.39				
P.5.6	4-Wire DS1 Digital Loop / 4-Wire ISDN DS1 Digital Trunk Port Combination - Subsequent Inward/2way Telephone Numbers		0.07						0.94				
P.5.7	4-Wire DS1 Digital Loop / 4-Wire ISDN DS1 Digital Trunk Port Combination - Subsequent Outward Telephone Numbers		1.12						22.36				
P.5.8	4-Wire DS1 Digital Loop / 4-Wire ISDN DS1 Digital Trunk Port Combination - Subsequent Inward Telephone Numbers		2.24						44.71				
P.5.9	4-Wire DS1 Digital Loop / 4-Wire ISDN DS1 Digital Trunk Port Combination - Subsequent Service Order Per Order		0.00						189.76				
P.15	4-WIRE DS1 DIGITAL LOOP WITH 4-WIRE DID TRUNK PORT												
P.15.1	4-Wire DS1 Digital Loop	61.74						61.74					
P.15.2	Exchange Port - 4-Wire DID Trunk Port	35.04						35.04					
P.15.3	4-wire DS1 Digital Loop / 4-wire DID Trunk Port Combination - Non-recurring Costs			65.06	65.06					312.91	312.91		
P.15.5	4-Wire DS1 Digital Loop / 4 -Wire DID Trunk Port Combination -Subsequent Channel Activation - Per Channel		7.03						108.67				
P.15.6	4-Wire DS1 Digital Loop / 4 -Wire DID Trunk Port Combination - Subsequent Telephone Numbers		6.43						88.68				
P.15.7	4-Wire DS1 Digital Loop / 4 -Wire DID Trunk Port Combination - Subsequent Signaling Changes		0.98						22.92				
P.15.8	4-Wire DS1 Digital Loop / 4 -Wire DID Trunk Port Combination - Subsequent Service Order Per Order		0.00						94.88				
P.17	Nonrecurring Cost for Extended Loop or Local Channel and Interoffice Combination												
P.17.1	Nonrecurring Cost for Extended Loop or Local Channel and Interoffice Combination Switch as is			9.86	7.74					52.73	24.62		
P.17.199	Nonrecurring Cost for Extended Loop or Local Channel and Interoffice Combination Switch as is Disconnect			5.47	3.65					9.12	9.12		