

May 18, 2000

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

Dear Mr. Waddell:

~~Very~~ truly yours,

Guy M. Hicks

213222

BELLSOUTH TELECOMMUNICATIONS, INC.
REBUTTAL TESTIMONY OF DAVID P. SCOLLARD
BEFORE THE TENNESSEE REGULATORY AUTHORITY
DOCKET NO. 99-00662
MAY 18, 2000

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

A. I am David P. Scollard, Room 26D3, 600 N. 19th St., Birmingham, AL 35203.
My current position is Manager, Wholesale Billing at BellSouth Billing, Inc., a
wholly owned subsidiary of BellSouth Telecommunications, Inc. In that role, I
am responsible for overseeing the implementation of various changes to
BellSouth's Customer Records Information System ("CRIS") and Carrier
Access Billing System ("CABS").

Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

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

implementation of the 1997 Federal Communications Commission (“FCC”) access reform provisions, billing of unbundled network elements (“UNEs”), and the development of billing solutions in support of new products offered to end user customers. I am familiar with the billing services provided by BellSouth Telecommunications to local competitors, interexchange carriers and retail end user customers.

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

The purpose of my testimony is to respond to the testimony of Dan Aronson and to provide the Tennessee Regulatory Authority (“Authority”) with an understanding of the work done by BellSouth to process usage records for calls originating from a CLEC (such as MCI) bound for Internet Service Providers (ISPs) served by BellSouth to ensure that BellSouth does not bill any CLEC reciprocal compensation for ISP traffic.

Q. ON PAGE 3 OF HIS TESTIMONY, MR. ARONSON STATES THAT BELL SOUTH CANNOT “PRECISELY SEGREGATE ISP-BOUND LOCAL CALLS FROM OTHER LOCAL CALLS.” DO YOU AGREE?

A. No. First, as explained by Mr. Hendrix, ISP-bound calls are not local. Second, BellSouth has taken considerable steps to modify CABs to segregate ISP-bound traffic from local traffic.

Q. WHAT IS CABS?

A. CABS is a system that BellSouth uses primarily for billing interexchange carriers for services ordered from the FCC and state Access Tariffs. BellSouth also uses CABS to bill CLECs for a number of services such as local interconnection trunking and usage charges, unbundled designed loops and unbundled dedicated interoffice transport. CABS is designed to accept service orders which are initiated from IXCs, CLECs and other customers as they order access, local interconnection and UNE types of services. In addition, CABS processes the massive numbers of call records that are produced in the BellSouth central offices associated with access, local and other types of facilities. For example, when an CLEC sends a call across one of its interconnection trunks, the BellSouth switch to which that trunk interconnects generates a usage record. CABS processes that record and bills the applicable rate elements to the CLEC or other interconnecting carrier based on whether the call is local, intra-LATA toll or inter-LATA.

Q. WHAT CHANGES DID BELL SOUTH MAKE TO CABS TO SEGREGATE OR OTHERWISE SPECIFICALLY HANDLE USAGE RECORDS FOR CALLS BOUND FOR ISPs SERVED BY BELL SOUTH?

A. As early as January 1997, BellSouth began a project to identify methods to segregate ISP traffic from local traffic by identifying specific 10-digit telephone numbers of ISP providers served by BellSouth. Through this process, BellSouth could then identify and segregate out ISP traffic that originated on

CLEC networks to ensure that such traffic would not be considered when calculating reciprocal compensation bills that BellSouth submitted to CLECs. In June 1997, BellSouth instituted a work request to implement this enhancement in CABS. Although originally targeted for completion by August, 1997, the enhancement was not implemented in CABS until September 1997. In September 1998, CABS was revised again to specifically detail the ISP traffic on the CLEC's bill pages to illustrate that these calls were being zero-rated and to aid the CLECs in bill verification efforts.

Q. WERE ON-GOING PROCESSES DEVELOPED TO MAINTAIN THIS CABS CAPABILITY?

A. Yes. A process was put in place to maintain the database of telephone numbers identified as being used by an ISP. This process allowed for new numbers to be added and for numbers to be removed as the ISP's use of them ended. These updates were made on a periodic basis as new information became available.

Q. HAS BELL SOUTH BILLED CLECS RECIPROCAL COMPENSATION FOR ISP TRAFFIC?

A. No. BellSouth has never intentionally billed reciprocal compensation for ISP traffic to any CLEC. In October 1995, when the billing requirements for CLEC traffic were first being addressed, BellSouth's systems were not equipped to bill CLECs for reciprocal compensation. Thus, BellSouth implemented a process in CABS to create an error record for any call originating from NPA-

NXXs being used by CLECs. While these calls were not actually “errors”, an error record provided an easy way to hold the usage records associated with the traffic while BellSouth revised CABS to implement the various billing provisions of the CLEC contracts. BellSouth designed the error record process to ensure that CLECs were not billed for any reciprocal compensation whatsoever, including for ISP traffic, while the local contract billing requirements were implemented in the systems. So that BellSouth could ensure it billed CLECs appropriately when BellSouth completed the implementation of the enhancements to CABS to appropriately bill for reciprocal compensation, BellSouth wrote off the usage held beginning in October 1995 rather than billing the CLECs for that reciprocal compensation.

Q. WAS THE TRANSITION FROM THE PROCESS IMPLEMENTED IN CABS IN 1995 TO THE ISP PROCESS IMPLEMENTED IN SEPTEMBER 1997 A SEAMLESS ONE?

A. Not entirely. In some isolated instances reciprocal compensation usage was billed from CABS prior to the time that the ISP process was ready for operation. I want to emphasize that to the extent this limited reciprocal compensation billing included any ISP traffic, it was included in error. In the fall of 1997, BellSouth attempted to negotiate a settlement of this issue, as well as a number of other reciprocal compensation issues, with one CLEC with little success owing to the very different positions of the parties on the billing of ISP traffic. Based on this experience, and given the small amounts of billing involved, no further attempts were made to settle this issue at that time.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

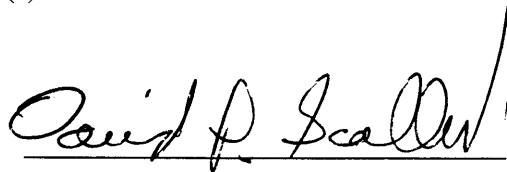
A. Yes.

AFFIDAVIT

STATE OF: Alabama
COUNTY OF: Jefferson

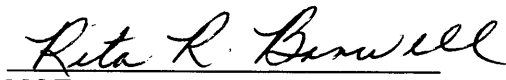
BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared David P. Scollard-Manager-Wholesale Billing, BellSouth Billing, Inc., who, being by me first duly sworn deposed and said that:

He is appearing as a witness before the Tennessee Regulatory Authority in Docket No. 99-00662 on behalf of BellSouth Telecommunications, Inc., and if present before the Authority and duly sworn, his testimony would be set forth in the annexed testimony consisting of 6 pages and 0 exhibit(s).



David P. Scollard

Sworn to and subscribed
before me this 12th
day of May, 2000


NOTARY PUBLIC

NOTARY PUBLIC STATE OF ALABAMA AT LARGE.
MY COMMISSION EXPIRES: Dec. 28, 2000.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

CERTIFICATE OF SERVICE

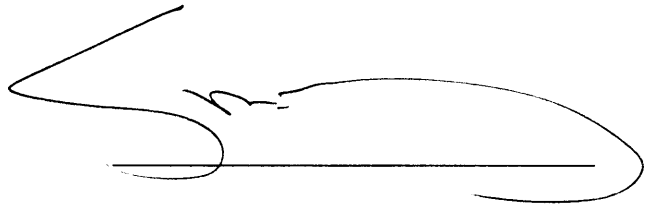
I hereby certify that on May 18, 2000, a copy of the foregoing document was served on the parties of record, via the method indicated:

- ☒ Hand
- ☐ Mail
- ☐ Facsimile
- ☐ Overnight

Richard Collier, Esquire
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0500

- ☒ Hand
- ☐ Mail
- ☐ Facsimile
- ☐ Overnight

Henry Walker, Esquire
Boult, Cummings, et al.
414 Union Ave., #1600
P. O. Box 198062
Nashville, TN 39219-8062

A handwritten signature in black ink, appearing to read 'Henry Walker', is written over a horizontal line.