

There is, just as with the issue of the resale discounts, a reasonable solution to the problems posed by the Commission's Order, and that is the suggestion BellSouth made above. The Commission should withdraw the Order on electronic interfaces and allow the staff and the parties to negotiate what is realistic and possible. BellSouth respectfully urges the Commission to reconsider its Order requiring the implementation of electronic interfaces and direct BellSouth to meet with AT&T and others to develop a plan for the implementation of appropriate interfaces, as well as an appropriate cost recovery mechanism.

3. The Commission should clarify its description of the retail services to which the discounts will apply.

As noted earlier, BellSouth has an obligation under the Telecommunications Act of 1996 "to offer for resale ... any telecommunications service that the carrier provides at retail to subscribers who are not telecommunications carriers." Section 251 (c) (4). The Commission adopted this standard and expressly excluded grandfathered services and special promotions as being outside of it. BellSouth believes, however, that there are additional items which are excluded under the federal standard and which the Commission intended not to include as services available for resale. BellSouth requests that the Commission clarify and affirm its Order on this issue so that there will be no later misunderstanding. Specifically, the following items should be regarded as not available for resale for the reasons set forth below.

(1) Lifeline and Link up services are not actually services, but are discounted rates provided under a special set of circumstances. Any telecommunications carrier can and should apply for these funds, as appropriate. If a carrier wishes to market and provide service to persons

eligible for these rates, that carrier should bear the administrative costs as well as any amount not reimbursed under these programs. BellSouth should not be forced to subsidize the other carrier, as opposed to the end user.

(2) Contract service arrangements are not retail services per se. They are special rates which the Commission has authorized BellSouth to charge in lieu of its tariffed rates in order to respond to a specific competitive threat on a customer-by-customer basis. It would not be logical or appropriate to require BellSouth to offer for resale a contract service arrangement which was designed specifically for a particular customer's needs in the face of a competitive threat. In any event, a reseller can buy the underlying service, receive the Commission-mandated discount, and resell the service, alone or in conjunction with other offerings to attract a customer on its own merits - not by virtue of its ability to obtain a discount off an already discounted rate.

(3) Interconnection services for mobile service providers, while currently provided under tariff in Georgia, are wholesale services (not offered at retail to end users). By definition, BellSouth is under no obligation to offer these services for resale at a discount or otherwise.

(4) Similarly, N11 and 911/E911 services are not offered to end users at retail. N11 services are actually dialing arrangements that are provided to information service providers. These companies, in turn, provide a service to the public, i.e., end users. The same is true of 911/E911 services which are used by counties and other governmental authorities. End users do not pay a charge to BellSouth for these services and therefore, they do not meet the definition of a retail service.

(5) Special assemblies are not services offered generally to end users at retail. They are instead, a combination of services not generally available out of the tariff, packaged and priced to

meet the needs of a specific customer. Following the Commission's analysis, special assemblies are not tariffed and BellSouth should not be required to offer them for resale. Given their nature and limited availability, this is only logical and reasonable and comports with the resale obligation under the federal law.

Conclusion

The adjustments to BellSouth's Avoided Cost Study made by the Commission are arbitrary and unsupported by any evidence in the record. For this reason, the discounts violate the pricing standard which is controlling in this case. The Commission should adopt BellSouth's proposed discounts. The process and deadline established by the Commission for the implementation of electronic interfaces by BellSouth are equally inappropriate and arbitrary. The deadline, in fact cannot be met. The Commission should authorize BellSouth to work with AT&T and others on the development of a program to design and implement appropriate interfaces, a fair cost recovery mechanism, and to provide progress reports to the Commission. This is necessary to avoid potential problems which could result in the hasty and premature implementation of interfaces. In view of the recent announcements by AT&T's President as to AT&T's intentions in Georgia, it is clear that such interfaces are not necessary today, or on July 15, but rather, if needed at all, will only be required at some future date, leaving time to implement these interfaces in an orderly way if anything further is actually needed.

Similarly, the Commission should clarify its Order regarding the services that will be available for resale. BellSouth believes that it has captured the essence of what the law allows

and what this Commission intended. Clarification today will save a great deal of unnecessary effort later.

BellSouth would end this motion on the same note it began. This motion began with the idea that BellSouth, like this Commission, is interested in facilitating full and fair competition. As should be clear from the motion, BellSouth must object to the terms that the Commission has imposed for the reasons that have been advanced above. In the event that the Commission denies BellSouth's motion for reconsideration, or in granting any portion of the motion, does not relieve BellSouth of the obligations regarding the implementation of the interfaces discussed above, BellSouth moves the Commission to stay its Order regarding the implementation of interfaces pending final judicial review. In such an instance, BellSouth pledges to work with the staff and any interested parties to attempt to continue to develop whatever interfaces are appropriate and necessary while pursuing the appropriate avenues of appeal.

In this same light, and to ensure that it does nothing to hinder the development of competition in this State, BellSouth moves that the Commission, should it deny this motion for reconsideration as it relates to the proper resale discounts, either (1) allow BellSouth to charge wholesale rates to resellers based on BellSouth's proposed discount, with direction that should BellSouth not prevail on appeal, that BellSouth refund with interest any difference between the amount collected using BellSouth's proposed discounts and the discounts approved as a result of any final appeal; or (2) order, as a condition of resale, that any reseller taking service under the terms of the Commission's present Order maintain sufficient records and undertake the obligation to pay BellSouth the just and proper compensation due under a proper resale order, as determined after appeal. If the Commission chooses to deny this motion for reconsideration, but

grants these motions, no harm will befall those who wish to resell in Georgia, and no harm will befall BellSouth. In times like these, when competition is allegedly the touchstone for most, if not all of the parties to this proceeding, to do what BellSouth requests is the only reasonable way to protect all of the parties. Any party truly interested in the advancement of competition in this state, as opposed to simply feathering its own nest, should not have any objection to these requests.

WHEREFORE, BellSouth respectfully requests that the Commission reconsider its Order dated June 12, 1996, in this docket as set out herein.

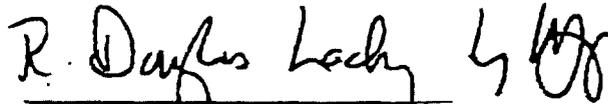
Respectfully submitted this 21st day of June, 1996.

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CERTIFICATE OF SERVICE

This is to certify that I have this day served a copy of the within and foregoing, BellSouth Telecommunications, Inc.'s Motion for Reconsideration and Clarification, upon all know parties of record, by depositing a copy of same in the United States Mail, with adequate postage affixed thereto, properly addressed as follows:

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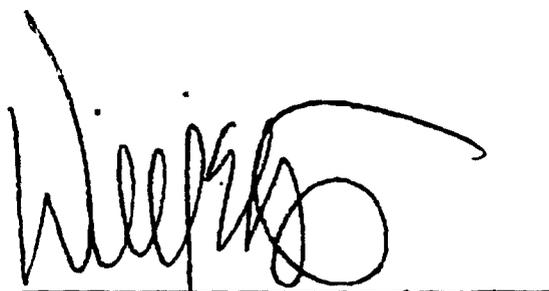
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This 21st day of June, 1996.



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