We note that no witness in this proceeding provided testimony to rebut BellSouth's witness Scheye on this issue. In fact, no party represented in this proceeding provided testimony directly related to the ability of customers to dial the same number of digits to place a local call, without the use of an access code, regardless of their choice of local service provider. Accordingly, we find that BellSouth has provided "local dialing parity" as it relates to this checklist item. In other words, local service subscribers in BellSouth's region have the ability to dial the same number of digits to place a local call, without the use of an access code, regardless of their choice of local service provider. In addition, Section XII of BellSouth's statement of generally available terms and conditions (SGAT) sufficiently addresses local dialing parity as it relates to this issue.

M. Provision of Reciprocal Compensation Arrangements Pursuant to Section 251(c)(2)(B)(xiii).

Section 271(c)(2)(B)(xiii) of the Act requires that reciprocal compensation arrangements must be provided or generally offered in accordance with Section 252(d)(2). Section 252(d)(2) contains the standards for "just and reasonable" terms and conditions for reciprocal compensation for transport and termination of traffic. This provision requires mutual and reciprocal cost recovery based on the reasonable approximation of the additional costs of call termination. It expressly allows for such arrangements as bill-and-keep, and precludes the FCC and state commissions from holding rate regulation proceedings to determine specific incremental costs of transport and termination. It also precludes the FCC and state commissions from requiring carriers to maintain records on the additional costs of such calls.

The FCC interpreted the above provisions of the Act, and determined that TELRIC was the appropriate pricing principle to comply with the requirements of the Act. The Eighth Circuit overturned the majority of the FCC's rules. It retained several provisions but only as they applied to mobile carriers, ruling that setting cost standards such as TELRIC went beyond the scope of the FCC's authority.

We note that we have approved TSLRIC based pricing for

reciprocal compensation for transport and termination in Dockets Nos. 950985-TP, 960833-TP and 960846-TP. Therefore, we find that rates in the SGAT and BellSouth/ALEC agreements approved pursuant to Section 252 of the Act, that comport with Commission rulings, would be in compliance with Section 271 requirements. We do not believe that the FCC can reinstitute TELRIC pricing requirements. We continue to believe that TSLRIC is a better basis for pricing. To the extent we have set permanent rates, we believe that they comply with the requirements of Section 252(d)(1) of the Act, and we will endorse BellSouth's use of those rates in its agreements and in the SGAT for purposes of checklist compliance.

This checklist item addresses the pricing requirements for traffic carried over facilities-based interconnection arrangements between BellSouth and ALECs. The interconnection arrangements themselves are the subject of the first checklist item. Reciprocal compensation is the means by which two local carriers compensate each other for the incremental costs associated with terminating calls originating from the other's network.

BellSouth witness Milner states that it has complied with the requirements of the Act in that reciprocal compensation arrangements are functionally available. BellSouth witness Scheye states that in Order No. PSC-96-1579-FOF-TP, the Commission ordered rates between itself and AT&T of $.00125 per minute for tandem switching and $.002 for end office termination. According to witness Scheye, these rates were incorporated into the SGAT. Therefore, BellSouth concludes that its reciprocal compensation arrangements are in full compliance with this checklist item. BellSouth states that most intervenors either concede that BellSouth has met this checklist item, or state they have no basis for an opinion. BellSouth asserts that MCI and Sprint, who state
that BellSouth has not met the requirements of this checklist item, did not address this issue beyond pre- and post-hearing statements.

AT&T, FCCA, ICI, TCG, and WorldCom raised an issue late in the proceeding revealing that a serious dispute has arisen with respect to the definition of "local service" as it applies to compensation for transport and termination of calls made to Information Service Providers (ISPs). BellSouth sent a letter

dated August 12, 1997, to ALECs with whom it has existing agreements, stating that ISP traffic is jurisdictionally interstate, and therefore ineligible for reciprocal compensation. In the letter, BellSouth stated that it would not pay for calls its customers made to ISPs served by ALECs, and "would make every effort" not to bill ALECs for calls their customers made to BellSouth's ISPs. The letter was sent after testimony was filed in this case, and therefore the issue was only explored at hearing.

AT&T asserts that despite BellSouth witness Scheye's testimony that these calls are interLATA, these calls originate and terminate locally, and hence BellSouth must permit reciprocal compensation.

FCCA cites its members' opinions that BellSouth's actions constitute a breach of contract, a violation of the dispute resolution clauses in the agreements, and an act of bad faith on BellSouth's part.

ICI specifically notes that BellSouth witness Varner admitted on the stand that BellSouth treats such calls as local when it bills its own end users, since they do not pay toll rates, inter- or intra-state. ICI asserts that since the situation was never discussed, and there is no explicit language in the agreement, BellSouth did not contemplate such a restriction prior to implementation of its agreement. Witness Varner acknowledges that the issue is in dispute and is the subject of two proceedings at the FCC. ICI states that the proper course of action for BellSouth would have been to petition this Commission for resolution, rather than taking unilateral action. ICI further states that because of BellSouth's actions, the Commission is required to take this issue up in this proceeding.

TCG states that BellSouth's action amounts to an attempt to amend all BellSouth/ALEC interconnection arrangements. TCG states that this constitutes a breach of contract because there is no provision in its contract that would exclude ISP calls from the definition of local traffic. TCG cites the problem as an example of non-compliance with reciprocal compensation provisions in its Agreement and in the Act.

WorldCom states that BellSouth has made a unilateral attempt to begin withholding compensation for calls to WorldCom's local exchange customers who are Internet providers, despite BellSouth's contractual agreement to compensate WorldCom for such calls. WorldCom states that it views BellSouth's actions as a breach of its interconnection agreement.

On cross examination, BellSouth witness Varner argued that the FCC has identified ISP traffic as interstate, but has granted an access exemption specifically for ISP traffic. He stated that the FCC has required that ISP traffic be charged at local rates. He also admits that this dispute is the subject of two FCC proceedings and has been taken up in other states where RBOCs have taken the same action as BellSouth. Witness Varner declined to characterize this issue as a "dispute," but rather as an issue "where there are two points of view as to how it should be resolved." Witness Varner stated that he was not familiar with dispute resolution clauses in ALEC contracts.

Upon consideration, we find that BellSouth has met the requirements of Section 271(c)(2)(B)(xiii). Although we acknowledge that a dispute has arisen over ISP traffic, we note that where interconnection facilities have been ordered and implemented, reciprocal compensation arrangements for the transport and termination of local traffic, including intermediary tandem switching, are being carried out in accordance with the requirements of the Act. We do not decide today the issue that has arisen with respect to ISP traffic. We do note, however, that we are concerned over the allegations that BellSouth has not followed the dispute resolution process contained in its interconnection agreement. Further, we do not believe that any party should unilaterally change the interpretation of an agreement. Parties should notify each other when they believe there is an issue of interpretation to be decided and work together to resolve differences of interpretation. Only after they have attempted to work out their differences, should they bring the dispute to us.

N. Provision of Telecommunications Services Available for Resale in Accordance with the Requirements of Sections 251(c)(4) and 252(d)(3) of the Telecommunications Act of 1996, Pursuant to Section 271(c)(2)(B)(xiv).

1. Introduction

We agree generally with the FCC's interpretation of the resale requirements of Section 271. Our determination of BellSouth's compliance with checklist item xiv is based on the 1996 Telecommunications Act, the FCC's Rules and Orders, and our orders where appropriate. We note generally that BellSouth has the duty to prove that it is not imposing unreasonable or discriminatory conditions or limitations on the resale of telecommunications service to requesting carriers. In addition, BellSouth has the duty to prove that it is providing nondiscriminatory access to its OSS to requesting carriers. Finally, we believe that all rates must be based on the wholesale discounts we have set. The wholesale rates we set were based on the retail rate minus the avoided costs. See Order No. PSC-96-1579-FOF-TP, p.56. Any rates not discounted the appropriate amounts are in violation of our Orders, and therefore, not checklist compliant.

The FCC has determined that operational support systems generally include those systems and databases required for pre-ordering, ordering, provisioning, maintenance and repair, and billing. Access to OSS functions are required for both UNEs and resale. We note that we have already defined these functions in Part VI.B. of this Order.

2. Status of Provisioning of Service

BellSouth is making its retail services available for resale. BellSouth claims that as of May 15, 1997, over 49,000 business and residential services were being resold by ALECs in Florida. However, based on the evidence in this proceeding, we are unable to confirm the actual number of services that BellSouth has resold in Florida. Nevertheless, it appears that the ALECs have not had problems with the resold services once they have received them, with the exception of a voice mail service problem that MCI has experienced. However, ALECs are experiencing many problems with the interfaces, operational support systems, and billing of the correct wholesale discount rates, contrary to the non-discriminatory requirements of the Act and the applicable FCC and FPSC Orders.

3. Discussion of Alleged Problems

The intervenors argue that they have experienced problems and have concerns with the various interfaces and access to OSS functions for resale. In addition, several parties have cited problems with resale that are not OSS related. We address these categories separately below. We first address OSS-related problems. Then we address problems that fall outside this category.

a. OSS-Related Problems: Pre-Ordering

Problem 1: LENS requires multiple address validations for the same fields in different screens.

The intervenors state that LENS requires the address to be validated three separate times. In the inquiry mode of LENS, the address must be validated to obtain telephone numbers, validated again to view available features and services, and, finally, again to view the installation calendar. BellSouth's RNS system does not require multiple address validations while accessing pre-ordering information. MCI witness Martinez states that the RNS system automatically assigns a number, once the address is validated. Witness Martinez explains that this number is "hard coded so that anything that they did from then on would bring for [SIC] the features and functions of that particular office." Because the number is "hard coded," RNS does not require multiple validations at each step, as does LENS.

Problem 2: No on-line customer credit checking capability and limited availability of customer service record information.

ALECs do not have access to customer payment history information when using LENS in the pre-ordering mode. BellSouth's RNS system allows BellSouth representatives the option of accessing such credit information online through Equifax. BellSouth witness Calhoun stated that she was unsure if BellSouth's internal interface, DOE, had such credit checking capability.

LENS in the inquiry mode does not provide customer credit

history and detailed billing information other than the billing name and address. BellSouth witness Calhoun stated that this information was not agreed to in negotiations with ALECs, and therefore, was not provided via LENS. We did, however, require BellSouth to provide such information to AT&T and MCI in the arbitration proceeding. BellSouth witness Calhoun stated during cross examination that access to this information will be added to the LENS system on October 8th of this year.

Problem 3: LENS requires human intervention

BellSouth has not demonstrated that LENS provides non-discriminatory access to pre-ordering functions as compared to those available in BellSouth's own RNS and DOE systems.

Human intervention occurs because the pre-ordering capability of LENS is not integrated with the EDI ordering interface. This is evidenced by the fact that an ALEC service representative must manually record the pre-ordering information obtained in the LENS inquiry mode and then manually re-enter the information into the EDI order. BellSouth suggests in the LENS User Guide that the service representative print out each LENS screen as a method of recording the pre-ordering information. BellSouth's interfaces do not require this level of manual intervention. This problem, as it relates to integration of interfaces, is also discussed below in Problem 5 of the Ordering and Provisioning section.

BellSouth witness Calhoun states that it is not necessary for an ALEC service representative to manually re-enter data accessed from LENS into the ALEC's internal OSS. Witness Calhoun asserts that there are methods available that obviate the need to re-enter data. First, an ALEC service representative can "cut and paste" information from LENS, to any other computer application that supports the "cut and paste" function. Second, an ALEC can use the Common Gateway Interface (CGI). Witness Calhoun explains that CGI is a specification that can negotiate the movement of data between LENS and an ALEC's OSS. She states that GCI is available to any interested ALEC.

AT&T witness Bradbury states that the CGI is not available to any new entrant interested in pursuing this option, as stated

by BellSouth witness Calhoun. Witness Bradbury provided a chronology of events that took place when AT&T sought the information necessary to implement CGI as BellSouth proposes. AT&T's inquiry revealed that CGI builds upon the LENS interface, and firm specifications cannot be provided until the LENS interface is finalized. According to a letter dated May 19, 1997, from a BellSouth project manager, LENS will require multiple and frequent changes and will not be stable for six to nine months.

Problem 4: BellSouth can reserve more telephone numbers than ALECs

MCI witness Martinez states that LENS only allows ALECs the ability to reserve or assign six telephone numbers per order. AT&T witness Bradbury agrees, stating, in addition, that BellSouth can reserve up to 25 numbers through its own OSS. In total, an ALEC is permitted to reserve a total of 100 numbers, or five percent of the available numbers, per central office. AT&T witness Bradbury states that numbers which are available when using LENS in the firm order mode are not available when using LENS in the inquiry mode. The inquiry mode of LENS is used to access pre-ordering information, when placing the actual order through EDI, PC-EDI, or by fax.

There are other problems associated with accessing telephone numbers. First, an ALEC must go to a separate telephone number assignment screen each time it accesses a telephone number for a new customer. In other words, when the address is validated in LENS, a phone number is not automatically assigned to the customer. BellSouth's RNS system on the other hand, only requires the BellSouth service representative to visit a separate screen if the customer rejects the phone number that is automatically assigned when the address is validated. Second, LENS does not provide a list of available NXXs to serve a specific address. BellSouth service representatives, however, have access to these numbers when using either RNS or DOE.

Problem 5: Cumbersome and inefficient method of locating long distance company selected by customer and product and service information

LENS provides a randomly organized list of long distance companies. The list is provided randomly so that long distance companies beginning with the letter "A" do not have an advantage over other companies. The problem here is that LENS does not provide a method of accessing a particular company name easily. The ALEC service representative must scroll through the extensive list of over 300 available carriers to find the name and carrier code of the long distance company. BellSouth's RNS and DOE systems permit the BellSouth representative to access carrier information by typing the first few letters of the carrier's name. AT&T witness Bradbury states that this is clearly not at parity in terms of timeliness or quality. This same condition is true when an ALEC's representative is trying to locate a service using LENS. The ALEC's representative must scroll through the list of available services to see if the requested service is available in the end office that serves the customer. BellSouth's RNS and DOE systems permit the BellSouth representative to access product and service information by typing the first few letters of the service or feature's name.

Problem 6: LENS does not provide access to calculated due dates in the inquiry mode

ALEC service representatives do not have access to due dates in the same manner as BellSouth's representatives when they use LENS in the inquiry mode to access pre-ordering information. LENS provides the ALEC representative with a table of dates that are not available, instead of the earliest available dates for a particular central office. In contrast, RNS provides a color coded calendar which shows the first available due date calculated by DSAP, and highlighted in green. All other dates, both available and unavailable, are distinguished by other colors.

b. Pre-Ordering Summary

As discussed above, the intervenors raised several problems with the LENS pre-ordering interface. These problems demonstrate that LENS simply does not provide access to pre-ordering information in essentially the same time and manner as BellSouth's RNS and DOE systems. First, LENS requires multiple validations of the address to access certain functions.

BellSouth's RNS and DOE systems do not require multiple validations. Therefore, the ALEC service representative will spend more time reviewing or accessing pre-ordering information than will a BellSouth service representative.

LENS does not provide customer credit checking capability and only provides limited customer service record information. On the other hand, BellSouth's internal interface, RNS, provides on-line credit checking capability and access to the customer's full service record information.

LENS is a human-to-machine interface. Therefore, after an ALEC service representative accesses pre-ordering information, the representative must either cut and paste the information, or print out each LENS screen and then retype the information into an EDI order. This is true also when entering information into the ALEC's internal OSS. RNS and DOE do not require any such manual handling of data since both systems have ordering and pre-ordering functions that are integrated.

An ALEC cannot reserve the same number of phone numbers through LENS as BellSouth can in RNS. In addition, RNS automatically assigns a phone number when an order is being taken for a new customer. LENS requires the ALEC service representative to access the number screen and select a number. Unlike RNS and DOE, LENS does not provide a list of available NXXs for a specific address.

When searching for the long distance carrier requested by the end user, the BellSouth service representative can type the first few letters in the carrier name and both RNS and DOE will automatically bring up the carrier's full name and identification code. This feature is also true when the BellSouth service representative is searching for products and services. LENS does not offer such capability. In LENS, any searches performed by the service representative must be performed by scrolling page by page until the carrier name or service name is found. This clearly is not at parity with BellSouth.

LENS does not provide access to calculated due dates. Instead, a table of dates appears showing all days that are unavailable for due dates. These unavailable dates include

weekends, holidays, scheduled office down times, and days that are already filled with other service orders. The ALEC representative, however, has to look at a calendar to figure out the next available due date. In contrast, RNS offers a BellSouth representative a calendar that highlights, in a specific color, the earliest due date available. In addition, the calendar shows the dates that are not available in another color. In other words, the BellSouth ordering interface has a color coded calendar that is user friendly and is efficient. BellSouth has not offered an efficient due date recognition system for LENS users.

Upon consideration of the evidence in this proceeding, we find that BellSouth is not providing pre-ordering capabilities at parity with the pre-ordering capabilities it provides to itself. In addition, we note that the FCC has concluded that "in order to meet the nondiscriminatory standard of OSS, an incumbent LEC must provide competing carriers access to OSS functions for pre-ordering...that is equivalent to what it provides itself, its customers or other carriers." As discussed below in the ordering and provisioning summary, we believe that BellSouth must provide a pre-ordering interface that is integrated with the EDI ordering interface, and that it must correct the LENS pre-ordering deficiencies discussed above.

c. OSS-Related Problems: Ordering and Provisioning

Problem 1: LENS and EDI do not have electronic edit capability at parity with BellSouth's RNS and DOE systems.

BellSouth witness Calhoun acknowledges that RNS and DOE have greater edit checking capabilities than are provided to either EDI or LENS. This means there is a greater likelihood that an ALEC order will be rejected by the downstream systems than will a BellSouth order. Witness Calhoun asserts that RNS, DOE and EDI distinguish the fields that must be populated, so the customer service representative knows that the order is complete. Although EDI distinguishes the fields that must be populated, we note that witness Calhoun states that LENS does not distinguish which fields must be populated. In addition, witness Bradbury states that the FUEL and SOLAR databases work simultaneously with RNS,

while a BellSouth customer service representative is working on an order. Therefore, FUEL and SOLAR are checking the order as it is being processed. This online edit checking capability does not exist with LENS or EDI, because LEO and LESOG are downstream databases that check the ALEC's order after it has been sent. Once the order is rejected downline, the ALEC is notified either by fax or through a phone call by the LCSC. This notice could take days. Errors in BellSouth submitted orders, not caught by the online edit checks, but caught by the downstream checking database, are sent to an error handling group, typically within 30 minutes.

Problem 2: No order summary screen exists in either EDI or LENS as in RNS.

When an ALEC representative completes taking the order from a customer, there is no order summary screen in LENS or EDI to confirm the order while the customer is on line, before sending the order off for completion. BellSouth witness Calhoun admitted during cross examination that RNS provides an order summary screen so that the order may be confirmed with the customer.

Problem 3: Intervenors cannot access or make changes to pending orders.

Once an order is placed through LENS or EDI, the ALEC service representative cannot access the original order to make a change. EDI allows a change order to be made and submitted to BellSouth; however, the original order cannot be accessed in order to make modifications. In contrast, the original order placed by a BellSouth representative using RNS and DOE can be changed directly by accessing an order update screen.

Problem 4: BellSouth has not provided requesting carriers with the technical specifications of the interfaces.

BellSouth states that if an ALEC wants to integrate its pre-ordering information from LENS with its EDI ordering system, then the ALEC needs to use a Common Gateway Interface (CGI) program to build its side of the interface. Witness Calhoun asserts that CGI is a program that manipulates data between two systems, thus

eliminating the need for an ALEC customer service representative to move from one system to another. BellSouth began the development of CGI technical specifications for the ALECs, but abandoned the effort stating that it appeared no party wanted to pursue that option. AT&T and MCI, however, state that they have both requested, and not received, the technical specifications from BellSouth. Further, witness Calhoun acknowledges that an ALEC cannot complete development of a commercial system that integrates LENS and EDI until BellSouth completes the CGI technical specifications on its side of the interface. Witness Calhoun also states that BellSouth is willing to continue to develop the CGI specifications with any interested ALEC.

AT&T witness Bradbury states that an ALEC will be at a disadvantage until BellSouth develops its side of the interface. For example, witnesses Calhoun (BellSouth) and Bradbury (AT&T) assert that RNS displays the rate for a service and calculates the taxes for that service. Witness Calhoun states that when a BellSouth customer service representative validates a customer's address, a tax code is returned that provides the appropriate taxes for that address. This information then flows through the order to the billing system. Witness Calhoun also explains that in the products and services section of RNS, an option button appears beside each product or service which allows the BellSouth customer service representative to offer promotions to BellSouth's end users. Witness Calhoun states, however, that pricing, promotion, and packaging of services that an ALEC offers to its customers is at the ALEC's discretion. She states that an ALEC can choose, "to organize information on its side of the interface in whatever way suits its pricing or marketing objectives."

The parties also state that BellSouth has not notified them or provided them with the modifications BellSouth makes to LENS. The parties state that this is essential, because LENS is a proprietary system that BellSouth owns and controls. According to Witness Bradbury, changes to LENS are made unilaterally by BellSouth which can make this interface unstable, disruptive, inefficient and expensive for new entrants to use. In addition, witness Martinez asserts that since March, BellSouth has made three revisions to the LENS Users Guide, none of which were disclosed to MCI. Witness Martinez further stated that in all

cases, MCI learned of these revisions from a source other than BellSouth. In addition, witness Calhoun states that the latest version of the LENS User Guide was dated June 17, 1997. She agreed that some changes to LENS had taken place since it was published, and stated that the next update to LENS was scheduled for October 8, 1997. She further states that no specific method was used other than through LENS itself to communicate the subsequent LENS modifications to ALECs since June 17th.

Problem 5: Interfaces are not fully electronic or integrated

There are three forms of manual intervention that are identified by the intervenors. The first form occurs because BellSouth's proposed interfaces do not link an ALEC's OSS with BellSouth's OSS. The second occurs because BellSouth has not provided an interface that integrates pre-ordering and ordering capabilities together, as does its own internal interfaces. The third occurs on because LENS and EDI do not enable an ALEC to place orders for the same services as BellSouth, which flow through BellSouth's downstream systems without manual intervention.

AT&T witness Bradbury states that LENS is a human-to-machine interface, since there is no electronic communication between BellSouth's OSS and the ALEC's OSS. In support of his statement, he notes that an ALEC service representative must manually enter data into BellSouth's OSS, and then manually re-enter the same data into the ALEC's OSS. BellSouth believes that it is up to the ALEC to develop the integration capability for the interfaces. As we discussed in problem 4, however, BellSouth has not provided the technical specifications necessary for an ALEC to design such capability.

AT&T witness Bradbury states that since the pre-ordering capability of LENS is not integrated with the ordering capability of EDI, the pre-ordering information must be manually entered into the EDI based order. This is in direct contrast to BellSouth's RNS and DOE systems which automatically populate pre-ordering information into the order.

Another form of manual intervention is performed on behalf

of BellSouth's Local Carrier Service Center (LCSC). The EDI and LENS ordering interfaces do not allow all orders to flow through BellSouth's downstream systems to generate a mechanized order. BellSouth witness Calhoun states that mechanized orders for PBX trunks, multi-line hunt groups, Synchronet services, and basic rate ISDN service cannot be generated at this time, when placed via EDI. Instead, orders for these services drop out of the system and go to the LCSC, where the order will be processed manually. The problem here, is that BellSouth's internal ordering systems, RNS and DOE, allow orders for these services to flow through the downstream systems to generate a mechanized order. Therefore, BellSouth has failed to provide services which it can order electronically on an equivalent basis to requesting carriers.

Problem 6: Sufficient capacity to meet demand.

The intervenors do not believe that BellSouth has sufficient capacity to meet their demand. In support of this claim, the parties have cited the following problems.

MCI contends, and witness Calhoun agrees, that due dates calculated via LENS for "conversion as specified" orders result in installation intervals greater than what BellSouth provides to itself. Witness Calhoun states that "some unexpected results on due date calculation" have resulted when an ALEC uses the firm order mode of LENS. This problem caused ALECs using the firm order mode for due date calculation to receive jeopardies, which is the industry term for due dates not met.

In addition, ICI states that it has experienced many backlogged orders for simple resold switch "As-Is" orders submitted through manual LSRs and through EDI-PC. Witness Chase states that since ICI began reselling services in October 1996, it has experienced hundreds of backlogged orders each month. Witness Chase states that when ICI used the manual paper LSR process for submitting simple resale services, seventy percent of the time it took BellSouth more than two days to send ICI a firm order confirmation (FOC) and customer service record (CSR). Furthermore, witness Chase states that the typical time period for receiving the FOC and CSR was ten working days, but that thirty percent of the time it would take up to four weeks to

receive them. In addition, ICI stated that even when using the EDI-PC interface to process a simple switch "As-Is" order, ICI experienced a two to four week delay in receiving FOCs thirty percent of the time.

The parties also questioned the efficiency of BellSouth's Local Carrier Service Center (LCSC). BellSouth operates two LCSCs that interface with the ALECs for interconnection, UNEs, and resale orders. Witness Scheye states that BellSouth does not use the LCSC for its retail operations. Instead, BellSouth has its own organizational group that performs analogous but different functions for BellSouth's retail customers. In addition, witness Scheye asserts that the job performed by BellSouth's LCSC employees ultimately affects BellSouth's OSS where an order requires manual intervention.

On March 13, 1997, an independent consultant, hired by BellSouth, submitted its evaluation of BellSouth's LCSC operations in Atlanta, Georgia and Birmingham, Alabama. The consultant stated that the company's objective ultimately was to "reduce costs while improving manager, supervisor and employee effectiveness." ICI cites to several parts of the consultant's analysis, stating that the problems identified by the consultant were having a direct, negative impact on the ALECs. For example, the consultant concluded that excessive errors and reworks were lowering the quality of BellSouth's service due to missed dates and excessive lead times. The consultant further stated that this "level of ineffective utilization is a result of unclear expectations, employee skill deficiencies, the lack of process documentation and control over the work flow." The consultant linked these problems to BellSouth's supervisors who were described as "passive or reactionary" and who were not observed actively training employees.

After concluding the initial review of the LCSC's performance, the consultant and BellSouth conducted a 22-week study to improve the deficiencies noted in the March 13, 1997, evaluation. The study began on March 17, 1997, and was to conclude on August 15, 1997. On July 8, 1997, the consultant released the status report for the end of Phase II of the project. ICI questioned witness Scheye about several of the problems identified by the consultant. The consultants found

that the percentage of Local Service Requests (LSRs) that needed clarification during the week of June 25, 1997, was 64.6%. In addition, the consultants stated that the average number of times that these LSRs were sent back to MCI and AT&T in order to complete the processing was 1.7 times. Witness Scheye states that this meant 64.6 percent of all orders submitted by AT&T and MCI needed clarification. He further states that on average, the LCSC had to send these orders back to AT&T and MCI almost twice per order before an error free LSR was received. Thus, witness Scheye concludes that BellSouth needs to provide some additional training or clarification to the carriers, so that fewer orders are submitted in error. Witness Scheye also states that BellSouth can provide ALECs with all of the training materials to provide BellSouth with accurate orders, but it is up to each ALEC to provide BellSouth with error free orders.

Despite the problems cited above, BellSouth believes that it has sufficient capacity to meet demand. BellSouth states that it has estimated that it would receive 5000 orders per day on a region wide basis, 4000 of which can be supported by EDI and 1000 supported by LENS. BellSouth also states that it expects Florida to account for 25% of the orders. In addition, witness Calhoun asserts that LENS was designed to handle pre-order activity in support of 5000 orders per day in the BellSouth region. Furthermore, witness Calhoun states that, "the combined peak daily ordering volume over the EDI and LENS interfaces has thus far been about 200 orders, which is significantly less than the current capacity of at least 5,000 orders per day." We note that there is no record evidence that documents how BellSouth derived its estimated pre-ordering and ordering capacity, nor is there any evidence estimating how many of the orders would be resale and how many would be for UNEs.

In response to the parties claims about BellSouth's LCSC, witness Scheye states that there were problems revealed in the 22-week study. Witness Scheye asserts that all but one of the items identified by the consultants have been fixed. The one outstanding item deals with the continuous improvement of BellSouth's LCSC.
We note, however, that the record does not contain the final report by the consultants for the 22 week study.

Upon consideration, it appears that BellSouth has not met its burden to show that there is sufficient capacity. As noted above, there is no record evidence that documents how BellSouth derived its estimated pre-ordering and ordering capacity, nor is there any evidence estimating how many of the orders would be resale and how many would be for UNEs.

Problem 7: Insufficient testing and test documentation

BellSouth entered 86 binders of testing information into the record as support for its compliance with the 14 checklist items and the SGAT. The binders contain technical service descriptions, testing results, ordering procedures, provisioning procedures, maintenance procedures, and other information that BellSouth uses internally to respond to orders for UNEs and resold services by an ALEC. Witness Milner testified that the end-to-end testing results contained within the 86 binders were performed to verify BellSouth's ability to respond appropriately to that order, whether it was submitted manually or via LENS or EDI. Witness Milner asserts, however, that the electronic ordering systems, LENS and EDI, were not included in "end-to-end" testing processes. Witness Milner states that "the end-to-end testing was not a test of the ordering vehicle." Further, witness Milner states that when BellSouth conducted its end-to-end testing, BellSouth entered the instructions for the test in BellSouth's direct order entry (DOE) system rather than in LENS or EDI. Witness Milner also asserts that a very large amount of duplication was resident within the binders. For example, witness Milner states that some of the documents contained in the binders were duplicated as many as 50 times. In addition, numerous places within the binders refer to draft or temporary instructions to show that BellSouth's methods and procedures are still evolving and changing.

Upon consideration, we do not believe that the internal testing results contained in the binders prove that BellSouth can actually provide the items required. In addition, the testing results were not verified by an independent third party. The FCC stated in the Ameritech Order that it agrees with the DOJ on the standard for operational readiness, which is evidence of actual commercial usage. The FCC asserted that actual commercial usage is the most probative evidence of operational readiness. The FCC

does not require an RBOC to ensure that ALECs are using all OSS functions available to them; however, the RBOC is charged with demonstrating that the reason an ALEC is not using a particular OSS function is strictly a business decision of the ALEC, rather than a lack of OSS function availability. The FCC stated that it may consider other forms of evidence for commercial readiness if the RBOC can demonstrate why ALECs are not using all available OSS functions. The other forms of evidence that the FCC will consider, absent actual commercial usage are; carrier-to-carrier testing, independent third-party testing, and internal testing.

We do not believe that the manner in which BellSouth performed its internal testing is sufficient to demonstrate that its systems and processes are capable of responding to an order placed by an ALEC in a manner that is at parity with BellSouth's own abilities. We believe that end-to-end testing to demonstrate ordering and provisioning of services must be done as if an ALEC were placing the order. BellSouth performed end-to-end testing by using its own systems to demonstrate that it can provide service. We note, however, that not only do ALECs use different interfaces, but ALECs also use different downstream databases to process orders. Therefore, BellSouth has failed to demonstrate that ordering and provisioning functions placed through ALEC available systems do in fact work at parity with BellSouth's internal systems.

d. Ordering and Provisioning Summary

As discussed above, the intervenors cite many problems with BellSouth's ordering interfaces. The problems raised by the intervenors demonstrate that BellSouth has not provided nondiscriminatory access to the ordering and provisioning functions.

LENS and EDI do not incorporate the same level of on-line edit capabilities as BellSouth's internal interfaces. There is, therefore, a higher chance that orders will contain mistakes, which will be rejected by the downstream systems. The result of the limited edit capability is that ALEC orders will take longer to actually be provisioned then BellSouth orders.

Unlike RNS and DOE, LENS and EDI do not provide an order summary screen. This makes it very difficult and time consuming for an ALEC to verify a customer's order while the customer is on-line. We believe that LENS and EDI must provide this capability.
We also find that the interfaces offered by BellSouth must offer similar functionality. As stated above, pending orders placed via LENS or EDI cannot be accessed to make changes. Instead, an order must be prepared. BellSouth's internal interfaces provide the service representative the ability to access orders pending implementation.

In order for ALECs to develop their side of the interface, they must first receive technical specifications for BellSouth's proposed interfaces. BellSouth has not provided such specifications to requesting carriers.

As discussed above, there are three forms of manual intervention. We believe each of these forms of manual intervention must be eliminated before the nondiscriminatory access standard can be met. We find that to provide nondiscriminatory access to the ordering function, BellSouth must do the following: First, BellSouth must provide an interface that integrates the pre-ordering and ordering functions; second, BellSouth must provide ALECs with the same capability to generate electronic orders for the same services that BellSouth can electronically generate for itself; and third, BellSouth must provide the technical specifications necessary to permit ALECs to link their own OSS system to BellSouth's OSS. It is BellSouth's position that ALECs need to develop their own integration capabilities. BellSouth, however, has not provided sufficient technical documentation for LENS that would enable ALECs to do so.

On the first and second points the FCC concluded that "in order to meet the nondiscriminatory standard of OSS, an incumbent LEC must provide to competing carriers access to OSS functions for pre-ordering, ordering, provisioning, maintenance and repair, and billing that is equivalent to what it provides itself, its customers or other carriers." Regarding the third point, the FCC stated that a BOC is required to provide carriers with the technical specifications that will allow ALECs to modify or

design their systems so that their OSS will be able to communicate with the BOC's legacy systems. The FCC further stated that BOCs "must provide competing carriers with all of the information necessary to format and process their electronic requests so that these requests flow through the interfaces, the transmission links, and into the legacy systems as quickly and efficiently as possible."

BellSouth has not demonstrated that its systems can process the number of orders per day that it claims it can. The consulting firm hired by BellSouth to perform an analysis of the Local Carrier Service Center (LCSC), stated in its report that BellSouth has missed service implementation dates. In addition, BellSouth has experienced problems providing firm order confirmations (FOCs) in a timely manner. This results in the ALEC not knowing when service was actually implemented, and has resulted in billing statements being sent to the end user by both BellSouth and the ALEC. Although, BellSouth claims that it is currently receiving approximately 200 orders per day, BellSouth has not demonstrated that it can effectively handle this low volume of orders in an accurate and timely fashion. Therefore, we do not believe that BellSouth can currently meet service order demand requirements.

BellSouth has not provided sufficient test documentation to prove that it is capable of providing those services not yet requested. We believe that the manner in which BellSouth performed its internal testing is insufficient to demonstrate that its systems and processes are capable of responding to an order placed by an ALEC in a manner that is at parity with BellSouth's own abilities.

e. Maintenance and Repair

Problem 1: TAFI is a proprietary system that does not provide ALECs with machine-to-machine functionality.

Witness Bradbury states that TAFI is a human-to-machine interface that requires a new entrant to manually enter each trouble report order into the ALEC's own OSS, because TAFI does not allow electronic communication between BellSouth's OSS and a

new entrant's OSS. Therefore, AT&T states because new entrants must manually input the maintenance and repair data twice, instead of only once, the ALECs are denied the ability to operate in substantially the same time and manner as BellSouth.

Witness Calhoun agrees that TAFI is not a machine-to-machine interface. She contends, however, that the TAFI interface is "intelligible to a human being" using this system. In addition, witness Calhoun states that TAFI is not an industry standard; however, the functionality that TAFI provides is "far superior" to the level of functionality that the industry defines in terms of exchanging information about a trouble report. She also asserts that TAFI can be used for any trouble identified with a telephone number, including residential and simple business services, and some UNEs, such as an unbundled port, interim number portability, PBX trunks and ESSX station lines.

Problem 2: The TAFI interface lacks sufficient capacity to meet demand.

AT&T argues that TAFI does not have the necessary capacity to meet the ALEC's demand. In support of this claim, AT&T states that TAFI currently has the capacity to support 195 simultaneous users in BellSouth's region if its "hot spare" arrangement is activated. According to witness Bradbury, this capacity is insufficient, because AT&T alone has several hundred repair attendants that would all need to be logged into TAFI at the same time, just as BellSouth's repair attendants.

BellSouth argues that TAFI has sufficient capacity to meet demand. Witness Calhoun testified that TAFI currently supports 65 simultaneous users with a second processor being installed that will double the capacity. In addition, BellSouth has a "hot spare" arrangement in place that can be activated almost immediately. The "hot spare" arrangement protects against equipment failure in case one of the main processors fails, and it would increase the capacity by an additional 65 users for a total of 195 simultaneous users. Further, for every 65 users, the TAFI system can handle 1300 troubles per hour. Witness Calhoun also states that additional processors can be added within 60 days to increase the capacity, if needed.

f. Maintenance and Repair Summary

Upon consideration, we find that BellSouth must provide ALECs with the technical specifications of TAFI so that ALECs can integrate their OSS with BellSouth's OSS for maintenance and repair. This electronic communication capability does not currently exist; therefore, an ALEC must manually re-enter each trouble report into its own OSS system. In addition, BellSouth must provide ALECs with the ability to have all of the ALECs' repair attendants logged into TAFI at the same time, just as BellSouth's repair attendants are, in order for the TAFI interface to meet the nondiscriminatory standard. The FCC concluded that "in order to meet the nondiscriminatory standard of OSS, an incumbent LEC must provide to competing carriers access to OSS functions for pre-ordering, ordering, provisioning, maintenance and repair, and billing that is equivalent to what it provides itself, its customers or other carriers."

g. Billing

Problem 1: BellSouth cannot render accurate bills for resold services.

MCI and AT&T both cite problems with BellSouth's billing of resold services. MCI and AT&T state that BellSouth cannot render accurate bills at the appropriate discount rates set by this Commission. For example, MCI states that BellSouth's end-to-end testing results show that Back-Up Line service, flexible call forwarding, and directory white page listings are being billed at a 12% discount, instead of the business discount rate of 16.81%. In addition, MCI and AT&T point out that BellSouth's end-to-end testing results show that directory assistance access resale is being billed at the business discount rate rather than the residential discount rate. AT&T also cites to the corrective action planned for this end-to-end testing result, which states that BellSouth does not plan to correct this problem until a new billing vehicle is introduced in 1998. Further, several of MCI's bills show that BellSouth is applying the wrong wholesale discount rate to recurring charges and that BellSouth has failed to discount non-recurring charges.

Witness Milner asserts that BellSouth has billed some resold services at a 12% discount, despite this Commission's Order that

BellSouth bill a 16.81% discount for business customers. He further stated that "work is in progress to properly reflect those discount levels in the billing process." Witness Milner also asserts that BellSouth was billing the business rate rather than the residential rate on a residential line for the directory assistance access resale service. Witness Milner first states that this problem would be corrected in December 1997, with the 97.4 CRIS release, and that BellSouth "will refund or credit any improperly billed amounts." He states that BellSouth's Carrier Billing Service will retain customer records for bill reconciliation, but that a refund to affected customers will not be calculated until after the correction is in place. Further, witness Milner asserts that until this problem is fixed, there may be some customer confusion. Witness Milner later asserts, however, that BellSouth does not plan to correct this problem until a new billing vehicle is utilized in 1998, because of the expense of correcting the problem. In addition, witness Milner states that BellSouth was applying the wrong wholesale discount rate to recurring charges and that BellSouth has failed to discount non-recurring charges on MCI's bills. However, witness Milner asserts that these problems were scheduled to be corrected in Florida on September 20, 1997.

h. Billing Summary

As shown above, BellSouth cannot render accurate bills for resold services. BellSouth acknowledges that it has billed the wrong wholesale discount rates, despite this Commission's Order that BellSouth bill a 16.81% discount for business customers and a 21.83% discount for residential customers. In addition, BellSouth's billing system is applying the business discount rate to a residential service. Witness Milner states that affected customers will receive refunds, but not until a new billing vehicle is implemented in 1998. BellSouth also acknowledges that it is applying the wrong wholesale discount rate to recurring charges and that it has failed to discount non-recurring charges on MCI's bills. Witness Milner claims that these problems would be corrected in Florida on September 20, 1997, but there is no evidence in the record to verify that these problems have been corrected. Thus, we find that BellSouth has not met the requirements of Order No. PSC-96-1579-FOF-TP, nor the requirements of Section 252(d)(3) of the Act.

i. Specific Resale Related Problems

In addition to the above OSS problems for resale, the following problems were raised by the intervenors.

Problem 1: Voice mail service is not being provided on an unbranded basis to MCI

In addition to the OSS problems above, MCI states that BellSouth has refused to provide MCI with voice mail service for resale on an unbranded basis. MCI states that the basis for BellSouth's refusal is that "voice mail is not a 'service' to which the contractual unbranding obligation applies." MCI cites to Attachment II, §2.3.10.1 of its interconnection agreement with BellSouth, which states, "MCIm shall have the right to resell BellSouth Voice Mail services." MCI also cites Part A, §25.1 of its interconnection agreement. This section states that BellSouth will brand any and all services at every point of customer contact exclusively as MCIm services, unless MCI determines that it wants the service to be provided with no brand at all. This section further states that if BellSouth determines that it is not possible to brand operator services and directory service calls for MCIm, BellSouth will "revert to generic unbranding for all local service providers, including itself." Therefore, MCI believes that BellSouth is required to provide MCI with voice mail service on an unbranded basis.

Problem 2: Disparity in conversion of customers

ICI states that BellSouth is not providing parity with respect to customer conversions. Witness Chase asserts that ICI's experience has shown that if an ICI customer wants to convert his or her service to BellSouth the customer "simply calls BellSouth and has that service switched almost instantly, with or without changes to the service itself." Witness Chase states, however, that if a BellSouth customer wants to convert his or her service to ICI, it takes two days to complete the conversion if everything works perfectly. Witness Chase further states that a perfect conversion rarely takes place. Instead, "about one third of the time it takes between two and four weeks to achieve the conversion of basic resale services."