

RECEIVED

EX PARTE OR LATE FILED

OCT 24 2001

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**BELLSOUTH**

CONFIDENTIAL

**BellSouth**  
Suite 900  
1133-21st Street, N.W.  
Washington, D.C. 20036-3351

robert.blau@bellsouth.com

**Robert T. Blau, Ph.D., CFA**  
Vice President-Executive and  
Federal Regulatory Affairs

202 463-4108  
Fax 202 463-4631

October 24, 2001

EX PARTE

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> St. SW  
Washington, D.C. 20554

Re: CC Docket No. 01-277

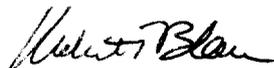
Dear Ms. Salas:

On October 23, 2001, Kathleen Levitz, Glenn Reynolds, and I met with Legal Advisor Kyle Dixon and Intern Joan McClenney of Chairman Powell's staff regarding BellSouth's Georgia and Louisiana 271 petitions.

The briefing materials we used are attached. We also discussed some issues that certain interexchange carriers had raised in opposing our 271 petitions. These included the adequacy of BellSouth's OSS and our compliance with resale obligations imposed by Section 251(c)(4) of the Telecom Act as they relate to DSL service.

I am filing notice of this ex parte meeting in the docket identified above, as required by Commission rule, and request that you associate this notice with the record of that proceeding. If you have any questions concerning this, please call me at (202) 463-4108.

Sincerely,



Attachments

cc: Kyle Dixon  
Joan McClenney  
Jessica Rosenworcel  
Susan Pie  
James Davis-Smith (Department of Justice)  
Cynthia Lewis (Department of Justice)

No. of Copies rec'd 071  
List A B C D E

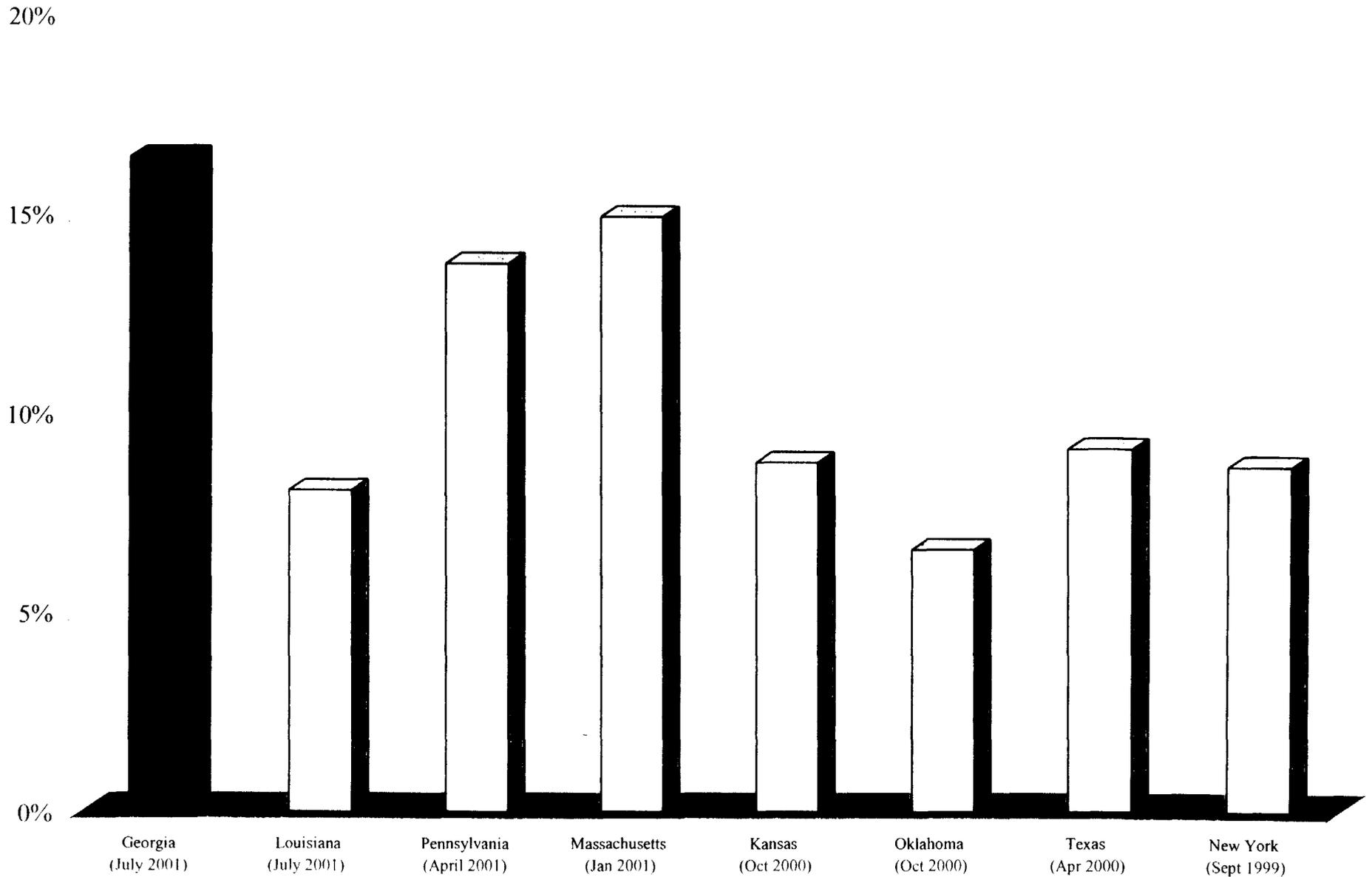
# BellSouth 271 Filings For Georgia and Louisiana

*An Overview*

# BellSouth Has Met Its 271 Requirements

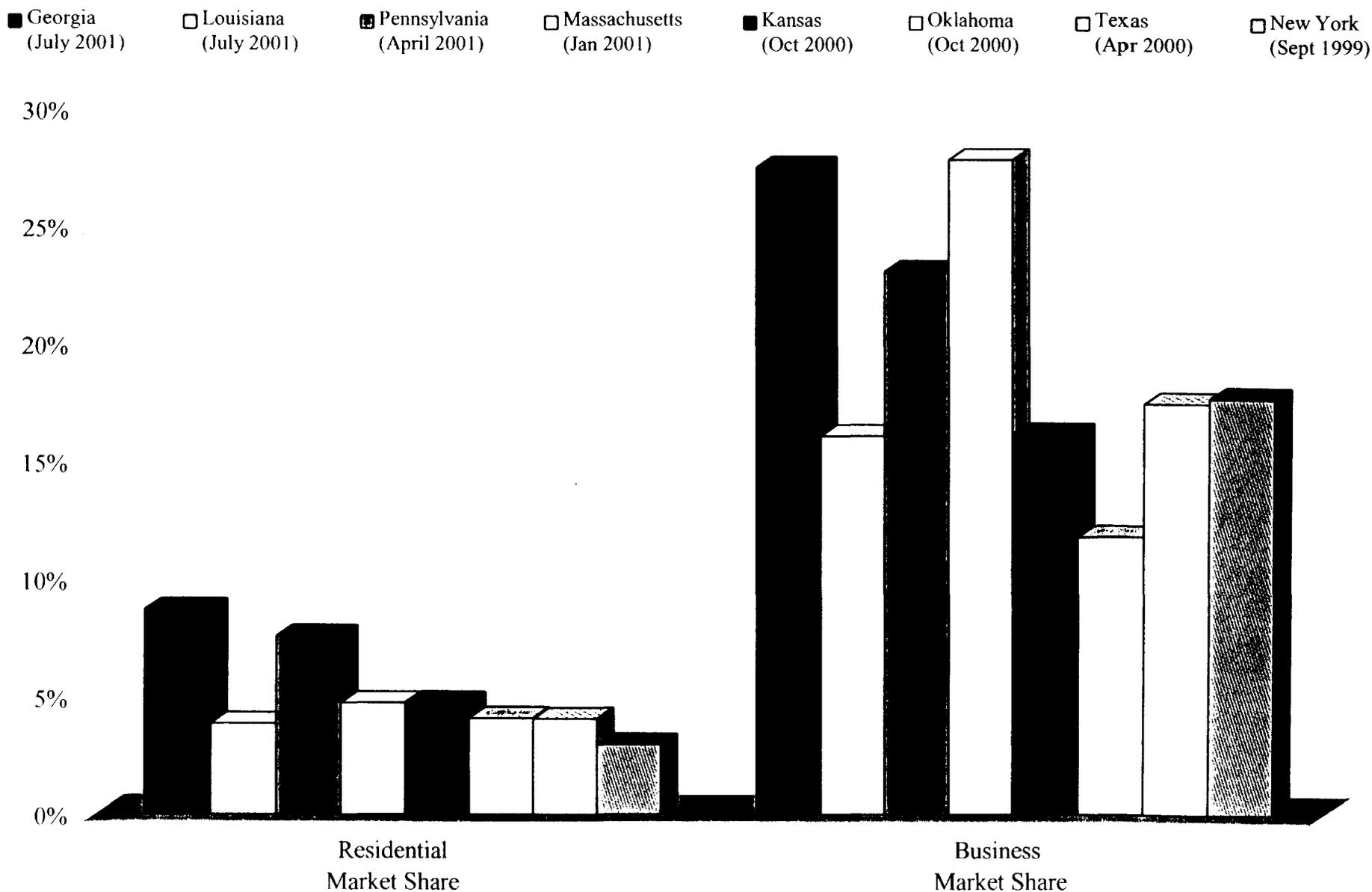
- Significant CLEC Competition
- Comprehensive Set of Performance Measurements; Rigorous Standards
- Strong Performance Results
- Tough SEEMS Penalty Plans
- Non-Discriminatory TELRIC Pricing

## CLEC Market Share



Sources: BellSouth, Georgia/Louisiana 271 Application, Affidavit of Victor K. Wakeling, Tbl. 2 (FCC filed Oct. 2, 2001) & BellSouth Errata, CC Docket No. 01-277 (FCC filed Oct. 10, 2001); Verizon, Pennsylvania 271 Application, Declaration of William E. Taylor, Att. A (FCC filed June 21, 2001) & Corrected *Ex Parte* Letter from Clint Odom, Verizon, to Magalie Salas, FCC, CC Docket No. 01-138 (FCC filed July 20, 2001); Verizon, Massachusetts 271 Supplemental Application, Att. A (FCC filed Jan. 16, 2001); SBC, Kansas/Oklahoma 271 Application, Affidavit of J. Gary Smith & Mark Johnson, Att. A (FCC filed Oct. 26, 2000); SBC, Texas 271 Application, Affidavit of John S. Habeeb, Att. A (FCC filed Apr. 5, 2000); Verizon, New York 271 Application, Declaration of William E. Taylor, Att. A (FCC filed Sept. 29, 1999).

## CLEC Residential and Business Market Share



Sources: BellSouth, Georgia/Louisiana 271 Application, Affidavit of Victor K. Wakeling, Tbl. 2 (FCC filed Oct. 2, 2001) & BellSouth Errata, CC Docket No. 01-277 (FCC filed Oct. 10, 2001); Verizon, Pennsylvania 271 Application, Declaration of William E. Taylor, Att. A (FCC filed June 21, 2001) & Corrected *Ex Parte* Letter from Clint Odom, Verizon, to Magalie Salas, FCC, CC Docket No. 01-138 (FCC filed July 20, 2001); Verizon, Massachusetts 271 Supplemental Application, Att. A (FCC filed Jan. 16, 2001); SBC, Kansas/Oklahoma 271 Application, Affidavit of J. Gary Smith & Mark Johnson, Att. A (FCC filed Oct. 26, 2000); SBC, Texas 271 Application, Affidavit of John S. Habeeb, Att. A (FCC filed Apr. 5, 2000); Verizon, New York 271 Application, Declaration of William E. Taylor, Att. A (FCC filed Sept. 29, 1999).

## Significant CLEC Competition

Local markets in Georgia and Louisiana are irreversibly open to competition.

- **As of July, 2001, 97 CLECs are providing local service to at least 798,000 local exchange lines, or over 16.4% of BellSouth's total local exchange lines in GA. In LA, CLECs serve at least 204,000 lines or over 8.1% of total local exchange lines.**
- **In GA CLECs are providing 27.5% of the business lines and 8.7% of the residential lines. LA CLECs are providing 16.1% and 3.9% respectively.**
- **Approximately 85% of GA and over 60% of LA CLEC lines are served over their own facilities, either exclusively or in combination with BellSouth UNEs and/or UNE-Ps.**
- **In GA over 700 CLEC collocation arrangements are in 89 BellSouth wire centers that enable CLECs to reach 86% of residence and 93% of business access lines.**
- **Nearly 470 collocation arrangements in 64 LA wire centers allow CLECs to reach 73% of residence and 86% of business access lines.**
- **In June, MCI/WorldCom announced its intent to aggressively solicit all 600,000 of its long distance customers in GA and expects double digit penetration over the next year. MCI recently quoted as achieving 1000 LSR per day in GA.**

# Strong Performance Results

- **BST:**
- **Met 100% of its collocation benchmarks in both GA and LA for every month from May through July**
- **In LA**  
**Made each of 1391 scheduled hot cut conversions within 15 minute interval from May through July**
- **In GA**  
**Made 6615 of 6673 (99%) scheduled hot cut conversions within 15 minute interval from May through July**
- **Met 91% of OSS parity standards in both LA and GA for at least two of the three months from May through July**
- **Met 89% of the resale standards in GA and 86% of those standards in LA for two of the three months from May through July**

# Tough Performance Assurance Plans

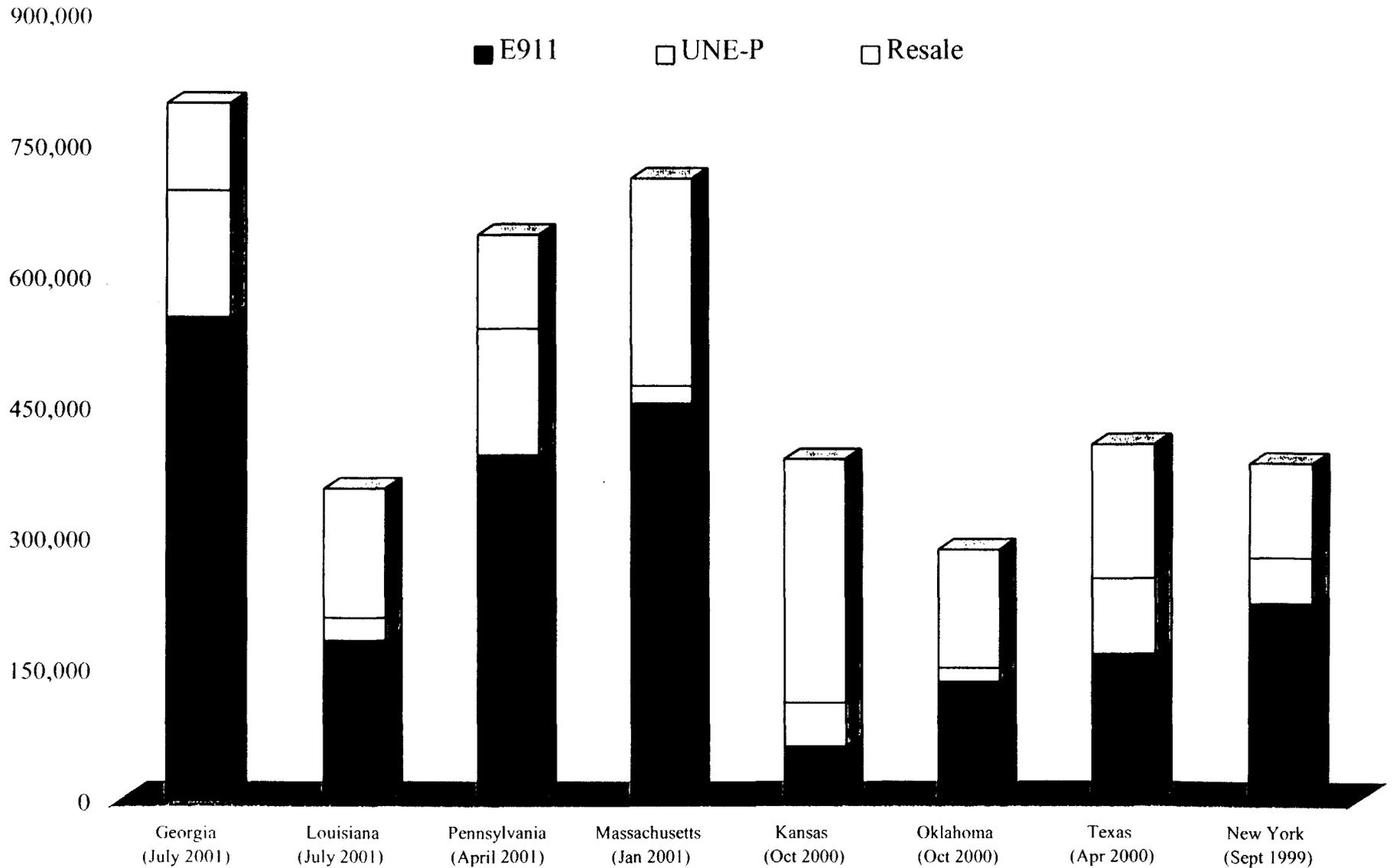
- GA and LA Plans include challenging performance measurements and stringent enforcement mechanisms
- Cap of 44% (\$336 million) of BellSouth's GA new revenues at risk. The GA percentage of revenue at risk exceeds either NY or TX. In LA procedural cap of \$59 million (20%) of BellSouth's net revenues; there is not limit, however, on liability under LPSC's plan.
- Effective even before 271 filing; GA Penalty Plan started March 2001, BellSouth has already paid millions for relatively minor performance misses.
- GA plan provides for GPSC staff review every six months, as does LA plan.
- GA plan provides for cessation of interLATA marketing if BellSouth's performance is persistently substandard. LA plan creates mechanism to recommend same consequence. No other states have this provision.

## UNE RATE COMPARISON (\$)

	NY	MA	TX	OK	KS	GA	LA
<b>LOOP (1)</b>						(SL1)	(SL1)
Z1	11.83	14.11 <sup>(2)</sup>	12.14	12.14	11.86	14.21	12.90
Z2	12.49	16.12	13.65	13.65	13.64	16.41	23.33
Z3	19.24	20.04	18.98	26.25	23.34	26.08	48.43
NRC	61.95	26.02	24.75	57.96	42.70	55.69	51.46
HCPM <sup>(3)</sup>	15.77	17.06	18.20	21.99	20.77	20.17	24.03
<b>UNE-P</b>							
Z1	14.33	16.11	14.61	14.32	13.47	12.59	13.13
Z2	14.99	18.12	16.70	15.86	15.25	14.26	23.75
Z3	21.74	22.04	23.19	28.83	24.95	21.62	49.62
NRC	3.73	0.19	5.00	3.33	2.35	2.56	3.08
<b>SWITCHING (E.O. \$/MOU)</b>	0.001837	0.0032595	0.0011973	0.002268	0.001310	0.001633	0.0018679
<b>FEATURES</b>			In Port	In Port	In Port	In Port	In \$/MOU

- (1) The recurring costs associated with the cross connects are not included. For GA, this rate is \$.30 per SL1. For LA, this rate is \$.0318 per SL1.
- (2) MA Loop rates are in 4 zones (metro, urban, suburban, rural). Urban, suburban, and rural were equated to zones 1, 2, and 3. (Metro = \$7.54)
- (3) HCPM average cost per loop from FCC 12/99 data based on total (switched & non-switched) lines.

## Relative Number of CLEC Lines



Note: Adjustments are in proportion to the number of BOC access lines in each state, relative to Georgia (GA: 4.0 mil; LA: 2.3 mil; PA: 6.2 mil; MA: 4.6 mil; KS: 1.4 mil; OK: 1.6 mil; TX: 9.6 mil; NY: 11.8 mil).

Sources: BellSouth, Georgia/Louisiana 271 Application, Affidavit of Victor K. Wakeling, Tbl. 2 (FCC filed Oct. 2, 2001) & BellSouth Errata, CC Docket No. 01-277 (FCC filed Oct. 10, 2001); Verizon, Pennsylvania 271 Application, Declaration of William E. Taylor, Att. A (FCC filed June 21, 2001) & Corrected *Ex Parte* Letter from Clint Odom, Verizon, to Magalie Salas, FCC, CC Docket No. 01-138 (FCC filed July 20, 2001); Verizon, Massachusetts 271 Supplemental Application, Att. A (FCC filed Jan. 16, 2001); SBC, Kansas/Oklahoma 271 Application, Affidavit of J. Gary Smith & Mark Johnson, Att. A (FCC filed Oct. 26, 2000); SBC, Texas 271 Application, Affidavit of John S. Habeeb, Att. A (FCC filed Apr. 5, 2000); Verizon, New York 271 Application, Declaration of William E. Taylor, Att. A (FCC filed Sept. 29, 1999).

## **State Proceedings**

### **Georgia**

#### **271 Compliance**

6863 – U (271 docket) [opened Sept. 1996]

**phase 1:** questions to BST

18 days of hearings, 5900 page transcript

1998 finding of partial satisfaction of 14-point checklist

**phase 2** [begun May, 2001] 2350 pages of comments  
finding of compliance on Oct. 2, 2001

#### **Resale and Unbundling**

7061 – U (TELRIC rates for UNEs) [  
workshops on BST cost studies

5-days of hearings

depositions and discovery

TELRIC rates adopted Dec. 16, 1997

8354 - U (OSS access Docket) [opened Oct. 1997]

technical workshops

hearings

collaboratives with joint status reports on OSS  
enhancements

independent third-party test

106692 – U (TELRIC rates for UNE combinations)

full record

hearings

rates adopted May 1999

11900 – U (TELRIC rates for xDSL and line sharing)

required cost studies

hearings

TELRIC rates adopted June, 2001

14361 – U (TELRIC Rates revisited) [opened September 2001]

to be completed in early 2002

## **Performance Measurements**

7892 – U (SQM docket) [opened Oct. 1997]

Phase 1: hearings in '97 leading to measurements,  
reporting requirements, dispute resolution process

Phase 2: [started in June, 2000] hearings leading to  
comprehensive set of measurements, standards, SEEMs  
plan

## Louisiana

### Resale and Unbundling

- U-20888 (local competition rules) [opened April 1994]
  - Technical conferences and presentations
  - Written comments
  - General Order adopted March, 1995 to define framework for competition
- U-22020 (resale cost study) [June 1996]
  - Set wholesale discount October, 1996
- U-22022/U-22093 (UNE and interconnection cost and tariffs) [opened June, 1996, April, 1996, consolidated Oct. 1996]
  - TELRIC rates adopted October, 1997
- U-22091 (terms and conditions of resale tariff; exclusions from resale) [opened February, 1997]
  - Order issued April, 1998 addressing CSAs
- U-22252 (CSA Discount) [ opened December 1996]
  - Order issued July 1, 1998 approving application of wholesale discount to CSAs
- U-24714 (TELRIC rates revisited)
  - Prefiled BST and CLEC testimony
  - Hearing
  - Post hearing briefs
  - Order adopted September 21, 2001

### Performance Measurements

- U-22252 (Interim SQM) [docket opened 1996]
  - June 1998 order adopted GA SQM
- U-22252 (Final SQM)
  - Opened rulemaking to define permanent SQM
  - Staff proposal adopted August, 1998
  - Workshops held to develop standards, SEEM
  - 9 workshops lasting total of 26 days
  - Consultant recommendations related to collocation intervals approved October 2000
  - Consultant recommendations on remaining 67 SQM issues approved on Feb. 21, 2001
  - Revised SQM and SEEM adopted May 14, 2001

## **271 Compliance**

- U-22252 (Initial 271 Application) [opened December, 1996]
  - Approval of BST 1997 SGAT
  - Federal Application denied Feb. 3, 1998
- U-22252 (Second Application) [held in 1998]
  - Approval of revised SGAT, interim SQM on June 18, 1998
  - Federal Application denied on Oct. 3, 1998
- U-2252 (Specific Discount for CSA and SBA wholesale offerings)
  - Discount of 9.05% adopted March, 1999
- U-22252 (2001 Application)
  - CLEC comments in response to BST Notice of Intent to File
  - Staff recommendation to endorse BST application
  - LPSC adopted recommendation on Sept. 19, 2001

## **The Dixon Collaboratives**

BST, CLEC and LPSC staff participated in 9 days of collaborative workshops covering issues such as customer conversions, trunking, provisioning, M&R, collocation, OSS, order processing; list of unresolved issues monitored by LPSC staff until resolved; outstanding invitation to raise action items