



Jodi S. Sirotnak
Regulatory Analyst
Federal Government Affairs

Suite 1000
1120 20th Street, NW
Washington DC 20036
202-457-3854
FAX 202-263-2661
jodisirotnak@att.com

October 22, 2002

VIA ELECTRONIC FILING

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th St., SW, Room TWB-204
Washington, DC 20554

Re: Application of Bellsouth for Authorization to Provide of In-Region,
InterLATA Services in Florida and Tennessee
WC Docket No. 02-307

Dear Ms. Dortch,

On October 21, 2002, Denise Berger, Alan Geolot, Jeff King, Mike Lieberman, Brian Pitkin, Rich Rocchini, and the undersigned met with Carol Canteen, Monica Desai, Jeff Dygert, Cara Grayer, and Josh Swift of the FCC to discuss AT&T's pricing concerns. During the discussion, AT&T stated that the Florida Commission erred in double-counting inflation in the UNE cost proceeding. AT&T also explained that BellSouth's \$160 hot-cut rate is anticompetitive and that the \$200 per day per line/circuit fee is not cost-based and is discriminatory. In addition, AT&T stated that the BellSouth growth tariff violates Section 272 because it discriminates in favor of BellSouth Long Distance. The attached materials were handed out during the discussion.

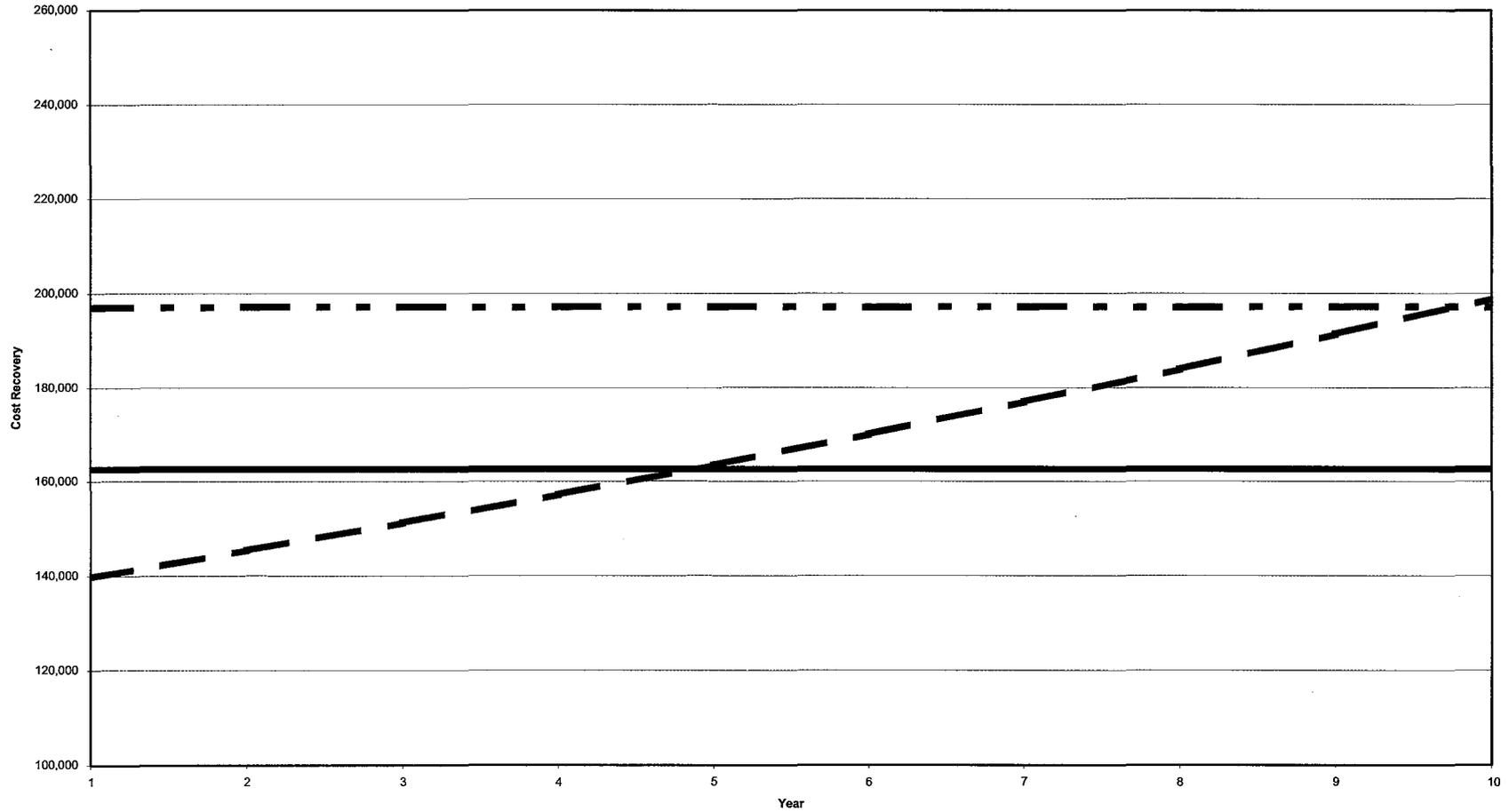
One electronic copy of this Notice is being submitted to the Secretary of the FCC in accordance with Section 1.1206 of the Commission's rules.

Sincerely,

Attachments

cc: Carol Canteen
Monica Desai
Jeff Dygert
Cara Grayer
Christine Newcomb
Josh Swift

Alternative Capital Recovery Patterns & BellSouth's Overstatement



Comparison of Hot Cut Rates in States

STATE (Company)	First Hot Cut in Order	Add'l Hot Cuts in Same Order
Florida (BellSouth)	\$160.29	\$82.47
Florida (Verizon/GTE)	\$153.81	\$59.83
Alabama (BellSouth)	\$111.92	\$55.00
Tennessee (BellSouth)	\$109.35	\$48.20
New York (Verizon/NYNEX)	\$35.00	\$35.00
Pennsylvania (Verizon/BA)	\$4.34	\$3.28
Texas (SBC/SWBT) *	\$25.74	\$25.74
Michigan (SBC/Ameritech)	\$20.98	\$20.98

* Standard time; no overtime

Florida Cost Study Adjustment for UNE-P to UNE-L Conversion (HOT CUT)

- assumes VG Loop (SL2) due to required coordination, DLR & testing of Hot Cut not avail. with SL1 Loop
- assumes no outside plant work due to existing loop service under UNE -P
- uses existing cost study assumptions (e.g., frame due time) - NO T BULK CONVERSION PROCESS

NONRECURRING COST STUDY INPUT - VERSION 2.0

2-WIRE ANALOG VOICE GRADE LOOP - SERVICE LEVEL 2 (Designed Circuit)

COST ELEMENT #: A.1.2

---ASSUMES ELECTRONIC SERVICE ORDER ENTRY---

DESCRIPTION	WORK CENTERS / WORK ACTIVITIES	SME	JFC	ADJUSTED WORKTIMES SHOWN ARE IN HOURS				BST Defaults			
				FIRST INSTALL	FIRST DISCONN ECT	ADDTL INSTALL	ADDTL DISCONN ECT				
ENGINEERING	CPG processes request; designs circuit and generates DLR & WORD document for CLEC and Field.	Network	4N4X	0.0550	0.0000	0.0300	0.0000	0.0825	0.0442	0.0450	0.0067
ENGINEERING	PLCS Planner orders plug-in when not in stock (JG57)	Network	JG57	0.0033	0.0000	0.0000	0.0000	0.0250	0.0000	0.0250	0.0000
ENGINEERING	PLCS clerical functions in connection with handling of plug-in order (WS16)	Network	WS16	0.0000	0.0000	0.0000	0.0000	0.2750	0.0000	0.2750	0.0000
ENGINEERING	ACIG handles requests for manual assistance (RMA) from HA	Network	4M1X	0.0058	0.0000	0.0058	0.0000	0.0058	0.0058	0.0058	0.0058
ENGINEERING	OSPE review & request & handles RMAs	Network	JG57	0.0408	0.0000	0.0080	0.0000	0.1000	0.0000	0.1000	0.0000
	UNEC pulls info, assigns to work forces, verifies & ensures accuracy of design; creates cut sheets to verify reuse of facilities; ensures dispatch, performs frame continuity and due date coordination and testing; performs manual order coordination (RCF, d)	Network	4AXX	0.0000	0.0000	0.0000	0.0000	1.6289	0.4823	1.3734	0.0500
	WMC coordinates dispatched technicians	Network	4WXX	0.0000	0.0000	0.0000	0.0000	0.2500	0.2500	0.0000	0.0000
	CO I&M wires circuit at collocation site.	Network	431X	0.1989	0.1152	0.1466	0.0628	0.2833	0.2125	0.1417	0.0992
	OSIM processes order, places cross-connection at cross-box, checks continuity and dia tone, resolves trouble, performs test from MID and completes order.	Network	411X	0.1667	0.0000	0.0833	0.0000	0.3842	0.0000	0.2542	0.0000
	OSIM dispatched to cross-box	Network	411X	0.0000	0.0000	0.0000	0.0000	0.0667	0.0000	0.0000	0.0000
TOTAL New Install Work Time				0.4705		0.2738		3.1014		2.2201	
Inside C.O. Connect & Turn-Up Test only (UNE-P to UNE-L Migration)				0.2539		0.1766		1.9947		1.5601	
Work Centers/Work Activities associated with Outside Plant; not required for migration.											

As developed by BST, an ALEC would be charged for a full installation of a new UNE Loop (over 3 hours labor for 1st loop install) plus Service Order and Order Coordination for Specified Conversion Tin AVG hours per Loop @ \$50/hr.

(BST view) Assuming 51 loops (3 per Order) it would take BST:	128.21	hours to convert from UNE-P to UNE-L.	2.51	\$ 125.69
	86.95	hours to convert from UNE-P to UNE-L even assuming only inside CO work activity.	1.70	\$ 85.25
(AT&T view) Assuming 51 loops (3 per Order) it would take BST:	10.32	hours to convert from UNE-P to UNE-L assuming only inside CO work activity.	0.20	\$ 10.12

HOT CUTs are generally performed in bulk conversion process however and not limited to per LS R (same prem.) requirement.

	A	B	C	D	E	F	G	H	I	J	K	L	M	
1														
2	NONRECURRING COST STUDY INPUT - VERSION 2.0				---ASSUMES ELECTRONIC SERVICE ORDER ENTRY---									
3	2-WIRE ANALOG VOICE GRADE LOOP - SERVICE LEVEL 1 (Non-Designed Circuit)													
4	DISCONNECT LOCATION LIFE (MOS.):	43												
5														
6	STATE:	FL												
7	COST ELEMENT #:	A.1.1												
8														
9	STUDY PERIOD:	2000-2002												
10														
					WORKTIMES SHOWN ARE IN HOURS									
11	DESCRIPTION	WORK CENTERS / WORK ACTIVITIES	SME	JFC	FIRST INSTALL	FIRST DISCONN ECT	ADDTL INSTALL	ADDTL DISCONN ECT	BST Defaults					
12														
13	ENGINEERING	AFIG handles requests for manual assistance (RMA) from HAL	Network	4M1X	0.0000	0.0000	0.0000	0.0000	0.0058	0.0058	0.0058	0.0058		
14	ENGINEERING	OSPE reviews request & handles RMAs	Network	JG57	0.0000	0.0000	0.0000	0.0000	0.1000	0.0000	0.1000	0.0000		
15	CONNECT & TURN-UP TEST	UNEC pulls info, assigns to work forces; ensures dispatch and contacts customer and completes order.	Network	4AXX	0.0000	0.0000	0.0000	0.0000	0.4490	0.4323	0.0000	0.0000		
16	CONNECT & TURN-UP TEST	WMC coordinates dispatched technicians	Network	4WXX	0.0000	0.0000	0.0000	0.0000	0.2500	0.2500	0.0000	0.0000		
17	CONNECT & TURN-UP TEST	CO I&M Field - Circuit & Fac wires circuit at collocation site	Network	431X	0.1988	0.1152	0.1466	0.0628	0.2125	0.1700	0.1133	0.1133		
18	CONNECT & TURN-UP TEST	I&M processes request; places cross-connect at cross-box; checks continuity and dial tone; resolves troubles, performs test from NID and completes order.	Network	410X	0.1667	0.0000	0.0833	0.0000	0.3842	0.0000	0.2542	0.0000		
19	TRAVEL	I&M dispatched to cross-box.	Network	410X	0.0000	0.0000	0.0000	0.0000	0.0667	0.0000	0.0000	0.0000		
20														
21														
22	BST ASSUMPTIONS:													
23	1) 20% loops are new; 80% are reused facilities.													
24	2) OSPE engineering time assumes a 10% fall-out rate requiring manual intervention (RMA) - occurs with unbundling when loop terminates other than in the switch.													
25	3) UNEC and CO I&M Field (connect and test) times assume 15% of total are carried in other transport elements.													
26	4) Fallout rate for AFIG is 5%.													
27	5) 20% dispatch is applied to I&M time and travel.													
28	6) I&M travel to premises captured in Drop/NID investment.													
29	7) Incremental time associated with handling CLEC specified conversions is charged separately.													
30	No Engineering requirement for NON-DESIGNED CIRCUIT													
31	UNEC/ACAC and LCSC are intermediary work groups not utilized in BST's own processing.													
32	CO I&M - 5 minutes to process and complete order. 6 minutes to install x-connect. 5 minutes to test. 3 minutes to tag. Copper Plant 63% SSIM - Cross-box connection in recurring. 5 minutes to process and complete order. 5 minutes to test.													

	A	B	C	D	E	F	G	H	I	J	K	L	M	
33	NONRECURRING COST STUDY INPUT - VERSION 2.0				--ASSUMES ELECTRONIC SERVICE ORDER ENTRY--									
34	2-WIRE ANALOG VOICE GRADE LOOP - SERVICE LEVEL 2 (Designed Circuit)													
35	DISCONNECT LOCATION LIFE (MOS.):	43												
36														
37	STATE:	FL												
38	COST ELEMENT #:	A.1.2												
39					ADJUSTED									
40	STUDY PERIOD:	2000-2002												
41					WORKTIMES SHOWN ARE IN HOURS									
42	DESCRIPTION	WORK CENTERS / WORK ACTIVITIES	SME	JFC	FIRST INSTALL	FIRST DISCONN ECT	ADDTL INSTALL	ADDTL DISCONN ECT			BST Defaults			
43														
44	ENGINEERING	CPG processes request; designs circuit and generates DLR & WORD document for CLEC and Field.	Network	4N4X	0.0550	0.0000	0.0300	0.0000			0.0825	0.0442	0.0450	0.0067
45	ENGINEERING	PICS Planner orders plug-in when not in stock. (JG57)	Network	JG57	0.0033	0.0000	0.0000	0.0000			0.0250	0.0000	0.0250	0.0000
46	ENGINEERING	PICS clerical functions in connection with handling of plug-in order (WS16)	Network	WS16	0.0000	0.0000	0.0000	0.0000			0.2750	0.0000	0.2750	0.0000
47	ENGINEERING	AFIG handles requests for manual assistance (RMA) from HAL	Network	4M1X	0.0058	0.0000	0.0058	0.0000			0.0058	0.0058	0.0058	0.0058
48	ENGINEERING	OSPE reviews request & handles RMAs	Network	JG57	0.0408	0.0000	0.0080	0.0000			0.1000	0.0000	0.1000	0.0000
49	CONNECT & TURN-UP TEST	UNEC pulls info, assigns to work forces, verifies & ensures accuracy of design; creates cut sheets to verify reuse of facilities; ensures dispatch, performs frame continuity and due date coordination and testing; performs manual order coordination (RCF, d	Network	4AXX	0.0000	0.0000	0.0000	0.0000			1.6289	0.4823	1.3734	0.0500
50	CONNECT & TURN-UP TEST	WMC coordinates dispatched technicians	Network	4WXX	0.0000	0.0000	0.0000	0.0000			0.2500	0.2500	0.0000	0.0000
51	CONNECT & TURN-UP TEST	CO I&M wires circuit at collocation site.	Network	431X	0.1989	0.1152	0.1466	0.0628			0.2833	0.2125	0.1417	0.0992
52	CONNECT & TURN-UP TEST	SSI&M processes order; places cross-connect at cross-box, checks continuity and dial tone, resolves trouble, performs test from NID and completes order.	Network	411X	0.1867	0.0000	0.0833	0.0000			0.3842	0.0000	0.2542	0.0000
53	TRAVEL	SSI&M dispatched to cross-box.	Network	411X	0.0000	0.0000	0.0000	0.0000			0.0667	0.0000	0.0000	0.0000
54														
55														
56	BST ASSUMPTIONS:													
57	1) 20% loops are new; 80% are reused facilities which require additional UNEC time.													
58	2) OSPE engineering time assumes a 10% fall-out rate requiring manual intervention (RMA) - occurs with unbundling when loop terminates other than in the switch.													
59	3) UNEC and CO I&M Field (connect and test) times assume 15% of total are carried in other transport elements.													
60	4) Fallout rate for AFIG is 5%.													
61	5) 20% dispatch is applied to SSI&M time and travel.													
62	6) SSI&M travel to premises captured in Drop/NID investment.													
63	7) PICS time assumes planner has to order non-stocked item 10% of the time.													
64	8) PICS clerical time assumes problems occur 10% of the time which require additional work.													
65	9) CPG time assumes 15% fallout on installations and 10% fallout on disconnects.													
66														

Assumes Engineering manual work at a fallout of 10% Install only
 UNEC/ACAC and LCSC are intermediary work groups not utilized in BST's own processing.
 Clerical work is inefficient in mechanized process (e.g., CLEC should have direct OSS access).
 CO I&M - 5 minutes to process and complete order; 6 minutes to install x-connect; 5 minutes to test; 3 minutes to tag.
 Copper Plant 63%
 SSI&M - Cross-box connection in recurring; 5 minutes to process and complete order; 5 minutes to test.

	A	B	C	D	E	F	G	H
1	Florida							
2	Service Order							
3	Input Data							
4				ADJUSTED				
5	Element #:	N.1.1	N.1.2					
6	Item/Description			Amount				
7	Description	JFC / JG / WS	Source	Connect	Disconnect		BST Default	
8	N.1.1							
9	Electronic Service Order, Per LSR							
10	Service Order Processing	230X	Marketing	0.000	0.000		0.083	0.011
11								
12								
13	N.1.2							
14	Manual Service Order, Per LSR							
15	Service Order Processing	230X	Marketing	0.000	0.000		0.650	0.100
16								
17								
18								
19								
20								
21								
22								
23	Study Mid Point		Study Assumption	06/2001				
24								
25	Service Location Life, Months			43				
26								
27	ALEC should have direct OSS interface to provisioning and will clear own service order errors.							

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	NONRECURRING COST STUDY INPUT - VERSION 2.0				--ASSUMES ELECTRONIC SERVICE ORDER ENTRY--								
2	ORDER COORDINATION												
3	(Applies to Service Level 1, Service Level 1-Feeder Subloop, 2W Voice Grade Subloop-Distribution, 4W Voice Grade Subloop-Distribution and Unbundled Copper Loops)												
4	DISCONNECT LOCATION LIFE (MOS.):	N/A											
5													
6	STATE:	FL											
7	COST ELEMENT #:	N.1.5											
8					ADJUSTED								
9	STUDY PERIOD:	2000-2002											
10					WORKTIMES SHOWN ARE IN HOURS								
11	DESCRIPTION		SME	JFC	FIRST INSTALL	FIRST DISCONN I	ADDTL INSTALL	ADDTL DISCONN CT		BST Default			
12													
13	CONNECT & TURN-UP TEST	UNEC performs manual order coordination (RCF, disconnect, UL order, cut sheet creation) when service is converted on existing loop (reuse of facilities)	Network	4AXX	0.0400	N/A	0.0400	N/A		0.4000	N/A	0.4000	N/A
14													
15													
16	ASSUMPTIONS:												
17	1) Assumes incremental time associated with order coordination (i.e., disconnect order for retail loop, unbundled loop order, and remote call forward/number portability order) to ensure customer cutover specifications are met.												
18													
19													
20													
21	NONRECURRING COST STUDY INPUT - VERSION 2.0				--ASSUMES ELECTRONIC SERVICE ORDER ENTRY--								
22	ORDER COORDINATION - SPECIFIED CONVERSION TIME												
23	(Applicable to all 2-Wire/4W UVL, UDL, USFL, & USL where a particular conversion time is specified.)												
24	DISCONNECT LOCATION LIFE (MOS.):	N/A											
25													
26	STATE:	FL											
27	COST ELEMENT #:	N.1.6											
28													
29	STUDY PERIOD:	2000-2002											
30													
31					WORKTIMES SHOWN ARE IN HOURS								
32	DESCRIPTION		SME	JFC	FIRST INSTALL	FIRST DISCONN I	ADDTL INSTALL	ADDTL DISCONN CT		BST Default			
33													
34													
35	CONNECT & TURN-UP TEST	UNEC performs work associated with coordination when CLEC specifies a particular conversion time.	Network	4AXX	0.0333	N/A	0.0000	N/A		0.3333	N/A	0.0000	N/A
36	CONNECT & TURN-UP TEST	WMC coordinates technician dispatches	Network	4WXX	0.0000	N/A	0.0000	N/A		0.1667	N/A	0.0000	N/A
37	TRAVEL	CO I&M Field - Circuit & Facility handles wiring changes in the CO.	Network	431X	0.0000	N/A	0.0000	N/A		0.3750	N/A	0.0000	N/A
38													
39	ASSUMPTIONS:												
40	1) Assumes incremental manual order coordination required when an CLEC specifies a particular conversion time.												
41	2) Assumes 75% of central offices are not manned every day and 50% of the time the CLEC will specify conversion at a time when the central office is not manned.												
42													
43													
44	Order Coordination is handled via Field Identifiers on the service order and should not require manual assistance.												
45	Allowance for order fallout: 10%												
46	WMC is mechanized with WFA OSS												
47	No incremental travel time necessary. Recovered in UNE specified UNE												

AT&T NRC Benchmark Work Times and Assumptions

WORK GROUP	WORK ACTIVITY	Description	JG /WS	WORK TIME (MIN)	Comments
CRSG	Complex Resale Support Group Work Activities	SERVICE INQUIRY	SDWC	0	CRSG is intermediary workgroup to process an order. An activity that the ALEC should be responsible for with own personnel assuming direct access to OSS and electronic return of orders in error for ALEC resolution (not BellSouth).
LCSC	Local Carrier Service Center receives SI and issues service order for billing.	SERVICE INQUIRY	230X	0	LCSC is intermediary workgroup to process an order. An activity that the ALEC should be responsible for with own personnel assuming direct access to OSS and electronic return of orders in error for ALEC resolution (not BellSouth).
AFIG	Address and Facility Inventory Group assigns loop facilities	ENGINEERING	4M1X	7	Install worktime. Worktimes generally reduced for 10% probability of occurrence. Generally, AFIG not involved in disconnect since assume inventory OK from install activity.
PICS	Network Plug-In Administration Planner orders plug-in when not in stock	ENGINEERING	JG57	15	Install worktime. Worktimes generally reduced for 10% probability of occurrence. Conservative given Engineering work is already accounted for within plant-specific loadings on recurring rates.
CPG	Circuit Provisioning Group designs circuit and generates DLR and WORD document for CLEC and Field.	ENGINEERING	4N4X	18	Install worktime. All CPG worktimes are reduced for 10% probability of occurrence. Conservative given Engineering work is already accounted for within plant-specific loadings on recurring rates.

AT&T NRC Benchmark Work Times and Assumptions

WORK GROUP	WORK ACTIVITY	Description	JG /WS	WORK TIME (MIN)	Comments
CO I&M	Central Office Installation & Maintenance - Field wires circuit at collocation site.	CONNECT & TEST	431X	19	5 minutes to process and close order. 6 minutes to install x-connect (ranges to 10 minutes for 4-wire and other plug-in installs), 5 minutes to test, 3 minutes to tag.
OSPC	Outside Plant Construction Work Activities	CONNECT & TEST	420X	0	This work group and all work activities are currently part of the installed investment associated with recurring rates (EF&I loading).
UNEC	Unbundled Network element Center Work Activities	CONNECT & TEST	4AXX	0	The UNEC/ACAC is an intermediary work group assigned by BST to manually insure orders are properly provisioned. It ensures accuracy of order design, makes customer contact and performs manual order coordination between work groups (including jeopardies and es
WMC	Work Management Center coordinates dispatched technicians	CONNECT & TEST	4WXX	0	Assuming a clean Local Service Request coordination of technician dispatch is handled mechanically with the Work Force Administration (WFA) OSS.
SSIM	Special Services Installation & Maintenance dispatched to cross box	TRAVEL	411X	0	Excludes sub-loop UNEs. Recurring rate for UNE Loop includes all cost to install the loop from the customer premise, thru the cross-box (feeder/distribution interface) and to the central office terminating equipment.

Sample of BellSouth NRC Benchmark Work Times (i.e., consistently applied worktimes across BST cost studies)

WORK GROUP	WORK ACTIVITY	Description	JG /WS	WORK TIME (MIN)	Rate Element	Comment
AFIG	Address and Facility Inventory Group assigns loop facilities to resolve fallout	ENGINEERING	4M1X	7	A.1.2 2-Wire Analog VG Loop (SL2) - Flvgdig.xls filed in Cost Calculator 2.3	BIC as "Install" worktime. Applied worktime, however, should be reduced for 10% probability of occurrence. Efficiently, AFIG is not involved in "disconnect" since assume inventory OK from install activity.
PICS	Network Plug-In Administration Planner orders plug-in when not in stock	ENGINEERING	JG57	15	A.1.2 2-Wire Analog VG Loop (SL2) - FL-2W.xls	BIC as "Install" worktime. Applied worktime, however, should be reduced for 10% probability of occurrence. Conservative given Engineering work to install the circuit is already accounted for within plant-specific loadings on investment recovered in recurring UNE rate.
CPG	Circuit Provisioning Group designs circuit and generates DLR and WORD document for CLEC and Field.	ENGINEERING	4N4X	18	A.1.2 2-Wire Analog VG Loop (SL2) - FL-2W.xls	BIC as "Install" worktime. All CPG worktimes should be reduced for 10% probability of occurrence. Conservative given Engineering work to install the circuit is already accounted for within plant-specific loadings on investment recovered in recurring UNE rate.

Note: The listed worktimes are generally accepted for the work activity being performed for a designed circuit.

